

The Senator from Maryland [Mr. GOLDSBOROUGH] with the Senator from New Mexico [Mr. BRATTON].

Mr. METCALF. I have a general pair with the senior Senator from Maryland [Mr. TYDINGS]. In his absence, not knowing how he would vote, I withhold my vote.

Mr. REED (after having voted in the affirmative). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON], and in his absence I transfer that pair to the junior Senator from New Hampshire [Mr. KEYES] and allow my vote to stand.

Mr. COSTIGAN. The junior Senator from West Virginia [Mr. NEELY] is absent on official business. He has authorized me to say that if present he would have voted "nay."

The result was announced—yeas 20, nays 38, as follows:

YEAS—20

| | | | |
|-----------|-----------|----------|--------|
| Blaine | Dickinson | Kendrick | Smith |
| Broussard | Hale | Norbeck | Smoot |
| Bulow | Hayden | Oddie | Wagner |
| Copeland | Johnson | Reed | Watson |
| Davis | Jones | Sheppard | White |

NAYS—38

| | | | |
|-----------|----------|-------------|---------------|
| Austin | Couzens | Kean | Schall |
| Bailey | Dale | King | Shipstead |
| Bankhead | Dill | La Follette | Steiwer |
| Barbour | Fess | Logan | Thomas, Okla. |
| Bingham | Fletcher | McGill | Trammell |
| Brookhart | Frazier | McKellar | Vandenberg |
| Capper | Glenn | Moses | Walcott |
| Connally | Gore | Norris | Walsh, Mont. |
| Coolidge | Harrison | Nye | |
| Costigan | Howell | Pittman | |

NOT VOTING—38

| | | | |
|----------|--------------|----------------|---------------|
| Ashurst | George | Lewis | Stephens |
| Barkley | Glass | Long | Swanson |
| Black | Goldsborough | McNary | Thomas, Idaho |
| Borah | Harris | Metcalf | Townsend |
| Bratton | Hastings | Morrison | Tydings |
| Bulkeley | Hatfield | Neely | Walsh, Mass. |
| Byrnes | Hawes | Patterson | Waterman |
| Caraway | Hebert | Robinson, Ark. | Wheeler |
| Carey | Hull | Robinson, Ind. | |
| Cutting | Keyes | Shortridge | |

So the amendment of the committee was rejected.

ANNIVERSARY OF THE BIRTH OF NEAL DOW

Mr. SHEPPARD. Mr. President, Sunday, March 20, 1932, will be the one hundred and twenty-eighth anniversary of the birth of Gen. Neal Dow, a pioneer champion of prohibition. I desire to insert in the RECORD a letter relating to this subject from Mr. Arthur Charles Jackson, of Portland, Me., president of the Neal Dow Association for World Peace and Prohibition.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PORTLAND, ME., March 9, 1932.

HON. MORRIS SHEPPARD,
Washington, D. C.

MY DEAR SENATOR: Portland, Me., this year celebrates the tercentenary of its first settlement and the centenary of its city charter.

Portland is known to a million teachers and other millions of young and old as the birthplace of the world's best-loved poet, Longfellow.

It is also the birthplace of the Christian Endeavor Society, which now has more than 4,000,000 members in 80,000 unions.

It is also the birthplace of the father of prohibition, Gen. Neal Dow, who was born March 20, 1804. Sunday, March 20, 1932, is the one hundred and twenty-eighth anniversary of his birth. It will be observed by many of the quarter of a million churches in the United States, which have an aggregate membership of more than 50,000,000, many of whom cherish the memory of Neal Dow as one of the greatest benefactors of the human race.

The Portland Historical Society and the International Longfellow Society have placed a tablet upon the home where he was born.

The Neal Dow Association for World Peace and Prohibition urges all believers in world peace, temperance, and prohibition to actively seek these blessings for every state and nation, to the end that peace and prosperity may become more abundantly the common lot of all.

And, my dear Senator, permit me to join with the multitude of others in heartfelt appreciation of the untiring and successful service you have rendered one of the greatest endeavors in the history of legislation. "The noblest motive is the public good."

Most sincerely,

ARTHUR CHARLES JACKSON,
President Neal Dow Association
for World Peace and Prohibition.

ADJOURNMENT

Mr. McNARY. I move that the Senate adjourn, the adjournment being until 12 o'clock to-morrow.

The motion was agreed to; and the Senate (at 4 o'clock and 50 minutes p. m.) adjourned until to-morrow, Thursday, March 10, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 9, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, Thy love inspires our prayer to Thee as our Father. Thou wilt never abandon Thy children. Every cloud will have its rainbow, and every rock will yield sparkling fountains of refreshment. Oh, let us possess that which is far better than earthly gems—the fruit of the matured graces—and then all duties will be put under contribution to the greatest good and our highest possibilities. In these days—days in which our faith is burdened and we just wonder—may our wisdom and our sympathy work helpful transformations. The good Lord direct the soul of Columbia. May we not lose heart nor allow our great institutions to be made ugly by passion or pessimism. Oh, may our love melt selfishness and our brotherly spirit soften the hardened heart. For the erring, faulty, failing one may we have the outstretched hand. Incline us to help carry the burdens of the weak, the sorrows of the poor, and thus fulfill the divine commandment. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7912. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes.

The message also announced that the Senate has passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 28. Concurrent resolution to publish a comparative print of the bill (H. R. 10236) entitled "The revenue bill for 1932," as reported to the House, showing the changes to existing law, as a House document.

The message also announced that the Senate had passed the following resolution:

Senate Resolution 164

Resolved, That the Senate has heard with deep regret of the death of John Philip Sousa, late a lieutenant commander in the Navy, who was universally recognized as the world's greatest composer of march music.

Resolved, That a committee of five Senators be appointed by the President of the Senate to join a similar committee on the part of the House of Representatives to attend the funeral of the deceased.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

JOHN PHILIP SOUSA

Mr. RAINEY. Mr. Speaker, on Sunday of this week in a hotel room in Reading, Pa., Lieut. Commander John Philip Sousa died.

Yesterday, while a mountain storm played a requiem to his memory, a long, snow-covered train brought his remains to this Capital City. Seventy-nine years ago he was born in Washington, D. C., and as we assemble here to-day his body lies in state in the Marine Barracks in this city, two blocks from the spot where he was born. His active career covers a period of 60 years of time, and during that time his musical compositions number over 300. He was the greatest bandmaster, the greatest composer of martial music that ever lived in this world. To-morrow, escorted by a military guard and by a guard from the American Legion, a long procession, composed also of representatives of the Masonic Order and of civic organizations, will conduct his body to its last resting place in this city, while a

military band plays in his memory the dirges he himself composed.

Most of us remember a few days ago, on Washington's Birthday, when, apparently in excellent health, he led the massed military bands of the Capital City in front of the Capitol here, while thousands listened to the military music he himself composed.

In his death the world has lost a great musical composer; in his death this country has lost a man whose military music led its armies in the World War.

To-day, all over the world, wherever the American flag floats, on sea or on land, military and naval bands play the marches and the dirges he composed.

I have thought it proper to make this mention in order that the RECORD may show that the House of Representatives appreciates the fact that this country and the world has lost one of its great men. [Applause.]

PROFITS OF WAR

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to insert in the RECORD recommendations submitted by me for adoption by the committee appointed in compliance with Public Resolution No. 98 for the elimination of profits during war.

Mr. LA GUARDIA. Mr. Speaker, reserving the right to object, may I ask the gentleman whether his views appear with the report as minority views?

Mr. COLLINS. My views were so incorporated, but these are views that I submitted to the commission for adoption.

Mr. LA GUARDIA. I understand.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLLINS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following recommendations submitted by me for adoption by the committee appointed in compliance with Public Resolution No. 98, for the elimination of profits during war:

In compliance with Public Resolution No. 98, I submit for adoption by the commission the following:

(1) The establishment of a National Economic Council.

The commission recommends: (a) That an advisory economic council shall be established. Its functions shall be to study economic and social conditions of the United States and to formulate policies which will tend to promote cooperation among all the participants in agriculture, industry, and business; and a more just and equitable participation in and sharing of the fruits of the Nation's wealth, industry, and economic opportunities by all of the people of the United States. (b) This council shall also cooperate with existing agencies in working out economic policies which may serve to promote peaceful trade relations with other nations. (c) The national economic council shall advise with the economic councils of other nations for the purpose of studying ways and means of carrying on trade and otherwise maintaining international trade relations in the interest of continued peace between nations.

(2) The recommendation to Congress of the passing of a joint resolution proposing an amendment to the Constitution of the United States, which reads:

"ARTICLE —

"During a war in which the United States is engaged Congress shall have the power to take private property without compensation therefor."

(3) The recommendation to Congress of the passing of a joint resolution proposing an amendment to the Constitution of the United States, which reads:

"ARTICLE —

"The making or renewal of any loan to the Government or national of any nation engaged in armed conflict is prohibited, unless the United States is engaged in such conflict as an ally of such nation.

"Congress shall have the power to enforce this article by appropriate legislation."

THE KIDNAPING OF THE LINDBERGH BABY

Mr. KARCH. Mr. Speaker, I ask unanimous consent to proceed for 12 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KARCH. Mr. Speaker, organized society and organized government, lost in a sense of utter impotency, have

capitulated completely and abjectly, and, acknowledging a power higher than themselves, now beg on bended knees of underworld lords to do what cities, counties, States, the National Government, and millions of citizens admit they can not do—rescue the Lindbergh baby.

What does this shameful surrender to the alleged powers of the so-called underworld mean?

Why, sir, it is notice to the parents of every child in America who may have money enough to tempt the cupidity of some lawless gangster that our Government can no longer protect them, and that they must hereafter provide at their own expense their own protection for their babies.

Civilization in America, in this year A. D. 1932, has, by a mere handful of desperadoes, been actually hurled back into the cave days when every man had to protect and to fight for his own household—his own offspring. Jungle law will have superseded the law of civilization if this handful of organized criminals can thus set at naught the powers of organized society.

Organized crime has arrogantly raised its hideous insolence and has spewed corruption and terror throughout the body politic, while in our selfishness and our greed, our lust for place and power, we have pandered to this corruption, we have closed our eyes to the hellish danger and the utter ghastliness of this rising claim of power by a few organized terrorists.

We have been so assiduous in pursuing and in prosecuting the possessor of a pint of liquor that we had not time to crush this monster which has blown its unspeakably vile breath of withering crime across the fair face of the boasted "land of the free, and the home of the brave."

Complacent, preoccupied in our mad struggle for gold, we have been utterly heedless of the rising menace of organized crime directed from high places, crushing with fear, buying with part of the loot of the crimes, controlling through corrupt political influences the very law-enforcement agencies we have depended upon to protect us.

Supine and selfish, society has murmured, then lapsed back into indolent repose and self-centered interest in pursuit of gold, while this evil crime trust has grown and fattened. And now in its arrogant contempt for society and the corrupted and weakened law-enforcement agencies this hideous monster reaches its claw into the peaceful, happy nursery of that quiet home among the trees at Hopewell, N. J., and snatches with cruel jeer that child from its cradle.

Into the home of the hero of the Nation—nay, of the world—and his happy wife reached the slimy claw of unrebuked evil, and from the arms of a brave boy whose whole record discloses not a single act of wrong against his fellow man, from the bosom of that inoffensive wife and mother was snatched their only child.

Charles Lindbergh, fearless Lone Eagle, was turned into a heartsick father. His lovely, modest wife, preparing for the advent of another little one, is transformed into a stricken mother, brave though she is.

Every governmental, State, county, municipal, and social agency, at last aroused by this outrage, the audacity of which has left civilization stunned, turned to the task of apprehension to achieve—what?

Why, Mr. Speaker, to achieve abject surrender to a criminal minority, admitted now to be more powerful than organized society and organized government.

On bended knee, with streaming eyes, this Nation beseeches this new oligarchy to bring our baby back.

"Name your price, dictate your terms, demand your immunities for the agony, the shame, the expense you have perpetrated upon us—anything, anything you will, but for God's sake bring our baby back!" cries a whole Nation to those dastardly, unidentified captors of Baby Lindbergh.

Shame be upon us!

Do not misunderstand me, Mr. Speaker. Lindbergh is right. His child—our child—is infinitely more precious than any amount of money. Get the baby back at all costs.

Lindbergh's happiness, his wife's happiness, the unborn child's future, are precious beyond all computation. Get the baby back!

I have no condemnation at this moment for Salvatore Spitalo and Irving Bitz for the part they play in this drama. Lords of vice and crime, as they are alleged to be, they are what we permitted them to be, what society, perhaps, has made them.

Indeed, it may be that those two gangsters, touched by the pathetic grief of a hero and his wife, will play a more manly part than some of the law officers in this great American tragedy.

But after Baby Lindbergh is back safely in his parents' arms, after the ransom money is paid, after the agony of the world's hero and his wife is ended, what then?

Is this Nation going once again to settle back into drowsy indifference, accepting the horrible fact that abject surrender, pleas on bended knees, tears, treasure, and immunity for evildoers will always bring back the stolen babies or the abducted men and women?

No. A thousand times no! While we are aroused, while the incredible audacity, horror, ghastliness of this thing still burns and sears us, let this Government, this Congress, turn to and with merciless determination stamp into nothingness this hideous thing called organized crime, this false power that parades as a force greater than law and government; this viper that we have permitted—aye, encouraged—to work its sinuous coils about us until to-day we find this Nation begging: "Name your terms, but do not strangle our baby; bring it back to us unharmed!"

This is war, Mr. Speaker, war between human rights and the forces of good government on the one side, and the boast of corruption, lawlessness, bribery, murder, arson, rapine, abduction, robbery on the other.

On the one hand is the Government and the whole of society aroused. On the other is an exceedingly small but incredibly insolent minority. Are we ready, Mr. Speaker, to say to organized crime, to this handful of lawless characters, "You have won the war; you have successfully attacked that home whose desecration you knew would arouse the greatest storm of public indignation; the power is yours to do what you will, so name your indemnities, tell us your terms, impose your reparations, we surrender!"

Good government has not failed. Justice is not prostrate. This country can not, will not be ruled by a vicious minority! Society has not surrendered to crime. Good has not capitulated to evil in America. A handful of vicious desperadoes can not rule the mass of American manhood and womanhood.

Well, then, what are we to do?

We have a bill pending before this body providing for Federal intervention if the mails are used by kidnapers to demand their ransom. Good, but not enough! The mails can be avoided by gangsters.

We have another bill pending before this body providing for Federal intervention if State lines are crossed by criminals who steal babies. Good, but not enough. We would have to find the baby to prove the Federal violation.

We have another bill pending before this body providing the death penalty for kidnaping. Let us go carefully, lest we make murder of the kidnaped victim and destruction of his body the way to escape for the kidnaper by that measure. Think that over well.

We now know that crime in this country is organized, financed, directed from high places.

We know that the coke-sniffing, opium-ridden, crime-fouled rats of sewer and gutter are only the tools with which these high criminal syndicalists work. When we apprehend the actual kidnaper or murderer we seldom reach the master gangster; we get only the knife or the gun, so to speak, which they used. We put some drug-sodden rat in the electric chair and the real planners and directors of crime, snug and smug, in their luxurious surroundings, safe in their haven of corrupt political and police protection, chuckle at their immunity and turn to new deviltry.

The American crime trust is as surely a trust in restraint of trade, in restraint of human liberties, human life, human happiness, as any trust ever investigated and broken up by

the Federal Trade Commission was in contravention to the Sherman Act.

Every line of business is the prey of the organized gangster and racketeer. Nobody—no business is to-day safe from the depredation of the crime trust.

All right, then, the way is pointed out. Let this Congress through its best intellect work out an anticrime trust act that will sweep aside all barriers, all legal quibbling, and strike directly at this appalling menace. Let such a commission as may be necessary be created to investigate and to run down those who plan, who conspire, who direct the crimes which befool and terrorize our Nation.

Then, having created that commission, let us vote enough money, secure enough experienced specialists to coordinate every law-enforcing agency of this Government into one vast machine of detection and punishment. Let us vote all the millions necessary for the task and annihilate this octopus which has too long terrorized and strangled our society.

This is not an insurmountable task. Crime is not a real force. This is not a great aggregation of powerful men. This is not a supergovernment. It is a slimy and cowardly bluff, using human derelicts as its tools, corruption as its traffic, crime as its avenues of gain, and stealth as its highways.

Mr. Speaker, let us act now.

If we will, if we enact now an anticrime trust statute as broad and powerful as the Sherman Antitrust Act, we will wipe out this foul stain from our land, and, having done that, the agony of our Lone Eagle and his mate will not have been in vain. I verily believe that such power is inherent in this Government, above and outside of our Constitution. [Applause.]

ECONOMY

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to extend my own remarks by inserting a radio address on economy, delivered March 8.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

The United States is passing through one of the most tragic periods of economic readjustment in its history. There have been in other years so-called depressions and panics, but never before perhaps has the descent from the heights of prosperity, or what we thought to be prosperity, been so sudden, so continuous, and so disastrous. There is not a business, an industry, nor, indeed, an individual, who has not felt the stinging lash of these strenuous times. Many citizens have seen the work and savings of a lifetime wiped out. The cry of the auctioneer and the wail of broken hearts blend with the ceaseless tramp of the vast army of the unemployed. With it all, however, Americans, with their characteristic optimism and courage, are not without hope, and even now a faint gleam appears on the horizon that presages the coming of a brighter day.

Nor has industry, business, and the citizen, in his individual capacity, been the only ones to suffer. Government resources have suffered a sharp decline. City, county, and State governments have been brought up suddenly face to face with the problem of adjusting their expenditures to reduced incomes.

The Federal Government has been no exception. On one hand, we have a prospective deficit in the Public Treasury variously estimated up to \$2,000,000,000. On the other hand, we are faced with the necessity of passing relief measures calling for large sums of money in an effort to stimulate business and relieve unemployment. Added to this are the insistent demands from various groups for large appropriations for particular projects. The legislative branch of the National Government is faced with an economic problem that overshadows everything else.

A BALANCED BUDGET

In the affairs of government, as well as individuals, a balanced budget is the keystone in the arch of economic solidarity. The problem of balancing the Federal Budget has presented many difficult and oftentimes unpleasant aspects. The first and major problem confronting the Congress has been to reduce public expenditures to an absolute minimum. If, when that has been done, there is still a deficit, as there will be, then Congress is faced with the unpleasant duty of passing a tax bill that will raise sufficient revenue to substantially meet the expenditures through the coming year.

The Appropriations Committee of the House of Representatives, of which I have the honor to be a member, immediately

upon the convening of Congress set about the task of reducing public expenditures in the annual appropriation bills. Under the able and courageous leadership of the chairman of our Appropriations Committee, Mr. JOSEPH BYRNS, of Tennessee, this committee has worked day and night in an effort to discharge its duty to the public. I am very happy to be able to say that in its deliberations partisan politics have been laid aside, and the membership of this great committee has labored shoulder to shoulder with the single purpose of reducing expenditures to the absolute minimum consistent with the efficient operation of Government.

THE POLICY

In approaching the subject of reduction of expenditures certain fundamental rules have been adhered to. In the first place, the committee has in no instance increased the estimates of the Bureau of the Budget approved by the President. Nor has any new project been added in an appropriation bill that has not been approved and estimated for by the Bureau of the Budget and the President. So far the Appropriations Committee has adhered strictly to these principles.

In the second place, the estimates submitted to Congress by the Bureau of the Budget, with the approval of the President, for the various bureaus, departments, and activities of the Government, are scrutinized carefully and reduced wherever possible, consistent with the public interests.

Third, all projects or proposed expenditures not absolutely necessary are either abandoned or postponed.

Fourth, surplus personnel, not absolutely necessary for the efficient conduct of the public business, is dispensed with. (This is indeed a most unpleasant duty, but there can be no justification for continuing upon the pay roll personnel that can be dispensed with.)

Fifth, the committee has written into each appropriation bill passed so far a provision that during the coming fiscal year there shall be no automatic promotions or increases in the salaries of the Government employees.

FIVE BILLS REPORTED

Following these principles five major appropriation bills have been reported to the Congress by the committee, as follows: The Department of Agriculture, the Interior Department, the State, Justice, Commerce, and Labor Departments, the Treasury and Post Office Departments, and the independent offices appropriation bills. The first four of these have passed the House and now await action by the Senate. In these five bills the estimates for the coming fiscal year have been reduced by the Budget \$358,088,831.85 less than the appropriations for the same activities during the present fiscal year.

In these five bills the Appropriations Committee of the House of Representatives made further total reductions (including the first deficiency bill) under Budget estimates of \$114,579,052.56, or, to summarize, the total reductions in these five appropriation bills less than the appropriations for the present fiscal year, exclusive of the first deficiency bill, are \$458,496,764.41.

The last of these five bills to be reported to the House of Representatives was the independent offices appropriation bill. I have the honor to be chairman of the subcommittee which reported this bill. This legislation provides the appropriations for 30 Government bureaus and departments, including such important activities as the Veterans' Administration, Interstate Commerce Commission, Federal Trade Commission, Federal Tariff Commission, Radio Commission, and others. Our committee, in reporting this bill, made total reductions less than the estimates which had been approved by the Bureau of the Budget and the President of \$54,498,535.

INDEPENDENT OFFICES BILL

It might be of interest now to comment briefly on the independent offices bill, which, as I have said, is now before the House for consideration. The subcommittee framing this bill, of which I have the honor to be chairman, conducted long and exhaustive hearings on this legislation. The printed hearings cover more than 700 pages of printed matter. We think it constitutes an exhaustive analysis of these several activities and their requests for appropriations. The total amount of the bill as it came to us from the Bureau of the Budget, with the approval of the President, was \$1,041,395,041. From this the committee has made reductions which total \$54,948,535. Some drastic cuts have been made, yet the committee does not feel that any needed and useful function of the Government has been crippled.

Time does not permit a detailed examination of these several items, but I shall comment briefly on several of them in passing.

INTERSTATE COMMERCE COMMISSION

The Interstate Commerce Commission was given a cut of \$1,533,321, and \$1,483,321 represents a cut because of the opinion of the committee that the commission should suspend work on recapture of excess earnings until the policy of the Government is definitely established with reference to this subject. The committee is of the belief that recapture will be retroactively repealed at this session of the Congress, since the legislation for the repeal has the full indorsement of the Interstate Commerce Commission and there has not developed any substantial opposition to the repeal.

The transportation act of 1920 requires that one-half of all earnings by railroads over 6 per cent on the value of railway property be turned over to the Interstate Commerce Commission to be loaned by it to roads that can justify the loan and to build equipment which can be leased to railroads needing it. This

recapture money does not go into the general Treasury of the Government, nor can it be returned to shippers to reduce the rate burden.

This provision has been in effect for 12 years. Experience has demonstrated that it is unworkable and it has already cost the Government \$37,000,000 and the railroads \$136,000,000, a total of \$173,000,000, and the principles of valuation have not yet been determined by the United States Supreme Court. The Interstate Commerce Commission has repeatedly advocated its repeal because it is unworkable, provokes litigation, and "hangs like a cloud over the credit of many companies when times are bad."

FARM BOARD

Another of the principal cuts in the bill was a reduction of the appropriation for the Federal Farm Board of \$1,880,000. The committee reduced this item to \$1,000,000. If we have erred, it has been because the reduction has not been sufficiently drastic. It is not the function of the Appropriations Committee to make fundamental changes in the basic law. Therefore the much-agitated question of whether the Federal Farm Board should be abolished or whether it should be consolidated with the Department of Agriculture was not before our committee for consideration.

We did feel, however, that upon a careful audit of their estimates for expenditures there had been included in their estimates requests for appropriations that were not needed and that could have very well been eliminated without material injury to the primary purpose of the Farm Board, which is twofold: First, to handle the \$500,000,000 revolving fund which is loaned to cooperative associations to assist in stabilizing prices and marketing their crops; and, second, in the activities of the Farm Board in assisting cooperatives in perfecting marketing organizations.

The sum of \$1,000,000 will be ample for this purpose if it is so used by the Farm Board.

VETERANS' ADMINISTRATION

The other reduction in the appropriations in the sum of \$51,161,732 was in the estimates for the Veterans' Administration.

The total amount carried in this bill for the Veterans' Administration, which includes the veterans of all wars, pensions, compensation, hospitalization, and domiciliary care, is \$928,387,795. Of this sum approximately \$800,000,000 is paid directly to the veterans in cash. On the first day of every month 1,400,000 checks go out of the offices of the Veterans' Administration to beneficiaries aggregating an amount more than \$60,500,000 monthly. Since the World War Congress has authorized new hospitals and domiciliary construction for veterans totaling an amount of \$127,391,991.85. Of this sum the entire amount has been allocated with the exception of \$3,430,000, and when the entire new construction has been completed it will provide for 37,187 beds.

The Veterans' Administration, including its own facilities and the hospital facilities which are provided for in Army, Navy, and Public Health Service hospitals, has an average of 50,000 hospital and domiciliary beds in use. An interesting statement in connection with the veterans' expenditures is that out of the total amount appropriated for the Veterans' Administration only 5 per cent is expended in administrative costs. The remaining 95 per cent goes to the veterans either in direct cash benefits or in hospitalization or domiciliary care and attention.

The committee cuts of \$50,000,000 in the estimate for the adjusted-service certificate fund and of \$1,161,732 in the administrative appropriation do not involve any reduction either in the amount or quality of benefits to the veterans.

The reduced amounts were agreed upon after a very careful consideration by the subcommittee and the Administrator of Veterans' Affairs, General Hines, of the actual requirements on the basis of the present situation, which is materially different from that existing six months ago, when the estimates were made up. General Hines assured the subcommittee that no veteran will suffer any diminution in the amount of loans on their adjusted-service certificates or in the number of available beds or other hospitalization services or in the quality of such services.

There are five major appropriation bills to follow, namely, District of Columbia bill, the legislative bill, the War and Navy Departments, and the second deficiency bill. It is the ambition of the Appropriations Committee that when we shall have finished with these regular appropriation bills savings and reductions under the estimates approved by the Budget and the President will aggregate \$200,000,000. While this is a substantial and credible showing, it will not be sufficient to balance the Federal Budget, and there has just been reported to the House of Representatives a tax bill which will shortly come up for consideration and action.

It should be noted at this point that the House of Representatives has given to the Appropriations Committee very splendid and patriotic support in its effort to curtail public expenditures, with one notable exception. On Saturday last the House of Representatives by a vote of 160 to 155 struck out of the Post Office-Treasury appropriation bill the provision against automatic promotion and salary increases for Federal employees during the coming fiscal year.

This action was taken by the House of Representatives over the protest of the Appropriations Committee. Unless this section can be reinstated in this bill when it is considered in the Senate, an important part of the economy program of the Appropriations Committee will be lost. The result will be an added cost of many millions of dollars to the Federal pay roll during the next fiscal year.

This committee views with alarm and disappointment the action of the House of Representative in striking this section from this

bill. It had been carried in the other bills so far passed by the House. It should be made clear that it called for no reductions in the salaries of the employees of the Federal Government, and it only provided that during the present crisis the employees of the Government forego the right of automatic promotion and salary increase.

SALARY REDUCTION

Speaking personally, as a Member of Congress, I feel that if this action of the House of Representatives accurately reflects the attitude of the Federal employees that they have failed to show a degree of patriotic interest in the financial recovery of the Government and the welfare of the American people that they might be expected to exhibit. Every line of business and industry and every profession has felt the stinging lash of the present economic distress. County, city, and State government employees and officials have had to take decreases in their salaries, and, in fact, the only group of American citizens who have come through so far without any reduction in their income or loss of time are the employees of the Government.

It now appears to me to be the duty of Congress to immediately pass legislation which will make a proper reduction in the Federal pay roll, during the present emergency, and that this reduction should apply to all employees of the Government from the Cabinet down, Members of Congress of course included. This is not a pleasant thing to contemplate or suggest. So far as I can see, there appears to be no alternative.

As a further means of reducing public expenditures there has been appointed by authority of Congress a Committee on Economy and Reorganization, which is conducting daily hearings with a view to abolishing useless bureaus and departments and making reorganizations and consolidations wherever possible in the interests of economy and efficiency. Undoubtedly this is a fertile field for operation, and it is hoped that before the adjournment of the present session of Congress, this committee will have a constructive report to make to the House of Representatives.

If what I have said presents a pessimistic outlook, it is only because the true facts justify such statements. It is to be sincerely hoped that the individual American citizen and the groups and organizations who are looking to the Federal Treasury for appropriations will bear in mind the present condition of the Federal Treasury and cooperate with the national legislative body to the extent of not insisting upon additional appropriations in the present emergency.

LIMITATION OF INJUNCTIONS

Mr. KELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KELLER. Mr. Speaker, the declaration of public policy contained in this bill is a further and more explicit recognition than any yet made that industry is a national matter. More and more are we going to recognize this all-important fact.

This law will be accepted gladly by every just and upright judge. This law will be accepted with thanksgiving by all men and women who labor, and it will not be abused by them.

It is indeed an expression of democracy and justice which has only been too long delayed.

The privilege of voting for this anti-injunction measure is worth all the years I have spent in advocating its enactment.

SPECIAL APPLICATION FEES

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

The Clerk called the committees, and when the Committee on the Post Office and Post Roads was reached,

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 8817) to provide for fees for entry of a publication as second-class matter, and for other purposes.

The SPEAKER. This bill is on the Union Calendar, and the House automatically goes into Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. MAJOR in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill of which the Clerk will read the title.

The Clerk read as follows:

H. R. 8817. To provide for fees for entry of a publication as second-class matter, and for other purposes.

Mr. MEAD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Chairman, I yield one-half of the time to the gentleman from New York [Mr. SANDERS]. This is a bill to provide fees for the entry of publications as second-class mail matter; it was recommended by the Postmaster General. In his letter to the committee recommending the legislation he makes these observations:

There are received each year approximately 2,500 applications for entry of publications as second-class matter; 2,000 applications for reentry on account of change in title, frequency of issue, office of publication, and for other reasons; 100 applications for registry as news agents; and 15,000 applications for permits to mail matter without stamps affixed. About 3,900 second-class publications are discontinued each year and about 100 news agents' permits and 3,000 permits to mail without stamps affixed are abandoned each year.

In this proposed legislation we provide that an applicant for second-class mail privileges shall pay a fee of \$100, and for a request for reentry a fee of \$10.

The Postmaster General estimates that this will add \$500,000 to the revenues of the department. The committee reported the bill unanimously.

Mr. HASTINGS. What are the present fees?

Mr. MEAD. There are no fees at present. This is new revenue. The fees are to cover the cost of the work done by the department in connection with these requests.

Mr. HASTINGS. And the report is unanimous?

Mr. MEAD. Yes.

Mr. FINLEY. What class of publications does this include?

Mr. MEAD. Newspapers and magazines, all second-class mail.

Mr. LaGUARDIA. The permit to use mail without affixing stamps is quite a saving, because no cancellation is necessary.

Mr. MEAD. These fees are to cover the proceedings necessary before granting the request.

Mr. LaGUARDIA. There is no \$10 charge now?

Mr. MEAD. No. I understand not.

Mr. LaGUARDIA. The \$100 fee is not credited later on to their account for services?

Mr. MEAD. No. The fee is for the application; and on this class of mail we lose considerable money, according to the ascertainment cost commission report.

Mr. STAFFORD. I have had considerable difficulty in recalling the service for news agents, for which you require a fee of \$20?

Mr. KELLY of Pennsylvania. At the present time news agents registered in the Post Office Department enter their publications as second-class matter. At the present time no fees are paid for that right. Under this bill when any new attempt is made to secure that right by a news agent there will be a fee charged.

Mr. STAFFORD. Do I understand the gentleman to convey the idea that the news agent enters the publication the second time?

Mr. KELLY of Pennsylvania. He gets second-class rates on certain publications. They are sent to the news agent by the publisher at the second-class rate.

Mr. STAFFORD. I think I must be rather obtuse, because I have not as yet got a clear idea of just what function these news agents perform for which a fee is required, as far as second-class matter is concerned.

Mr. KELLY of Pennsylvania. There are eight subclassifications under the second-class rate. One rate schedule is based on zone and is figured for the zone rates. There are eight subclassifications. News agents get their rate on account of being registered in the Post Office Department. They have applied for it and have been given that right.

Mr. STAFFORD. Does this pertain to the character of service which was called to my attention when I served on the Committee on the Post Office and Post Roads nearly 25 years ago, as, for example, where the Curtis Publishing Co. would send the Saturday Evening Post by freight or express, say, to Kansas City, and then deposit it there in the mails for local delivery?

Mr. KELLY of Pennsylvania. A number of publications have what is known as an additional office of entry, which they now get without any payment whatever. Under this bill they must pay a fee for each additional office of entry.

Mr. STAFFORD. Then I assume that is the character of service the gentleman refers to. A publishing house names some news agent to receive his publications in large quantities, so that that news agent may distribute them locally, within a radius of perhaps 100 miles, whenever it is economical or to their advantage to have them distributed by post.

Mr. KELLY of Pennsylvania. That is done under additional offices of entry.

Mr. LaGUARDIA. Is that the answer the gentleman wishes to give?

Mr. KELLY of Pennsylvania. That is covered in the next clause on additional offices of entry, which provides a fee for that. These news agents are on a different basis. They now have the second-class rate.

Mr. STAFFORD. Will the gentleman tell us what the news agent does that requires him to be registered and for which he makes an application? Is it the ordinary news agent who sells periodicals or newspapers or is it a large central agency like the Central News Co. that has some privilege connected with the distribution?

Mr. KELLY of Pennsylvania. That is it exactly, the wholesale concerns, these large distributing agents. There are only a few in the United States.

Mr. LaGUARDIA. What I can not understand is this. Is it to give the publisher the right to send periodicals or second-class matter in bulk to the agent and stop there, or is it to give the agent the right to distribute from his point on?

Mr. KELLY of Pennsylvania. As I understand it, these registered news agents take the publications and magazines and send them out themselves.

Mr. STAFFORD. It is a matter of redistribution?

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. But in their zone?

Mr. KELLY of Pennsylvania. Yes.

Mr. THATCHER. Mr. Chairman, will the gentleman yield?

Mr. KELLY of Pennsylvania. Yes.

Mr. THATCHER. It may have been stated, but I did not catch it. How much revenue will the operation of this law yield annually to the Post Office Department?

Mr. KELLY of Pennsylvania. Half a million dollars a year. It will not do any injustice to anybody, but in the future those who expect this privilege will be obliged to pay a fee.

Mr. THATCHER. And the bill has the approval of the Post Office Department?

Mr. KELLY of Pennsylvania. Yes; and has the unanimous report of the Committee on the Post Office and Post Roads.

Mr. MEAD. Mr. Chairman, I ask that the Clerk read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That hereafter each application for entry of a publication as second-class matter shall be accompanied with a fee of \$100; each request for reentry of a publication as second-class matter on account of a change in title, frequency of issue, office of publication, or for other reason, and each request for additional entry of a publication as second-class matter shall be accompanied with a fee of \$10; each application for registry of a news agent shall be accompanied with a fee of \$20. Each application for a permit to mail matter without stamps affixed as provided by sections 273 and 291, title 39, United States Code, Supplement V, and section 295, title 39, United States Code—

With the following committee amendment:

Page 2, line 3, strike out "sections 273 and 291, title 39, United States Code, Supplement V, and section 295, title 39, United States Code," and insert: "the act approved June 9, 1930 (46 Stat. 526; U. S. C., Supp. V, title 39, secs. 221a, 273, and 291a), section 6 of the act approved May 29, 1928 (45 Stat. 941; U. S. C., Supp. V, title 39, sec. 291), and section 13 of the act approved May 18, 1916 (39 Stat. 162; U. S. C., title 39, sec. 295), and the regulations made pursuant thereto by the Postmaster General, shall be accompanied with a fee of \$10."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. BANKHEAD having assumed the chair as Speaker pro tempore, Mr. MAJOR, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 8817, and had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. MEAD. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

TRANSIENT SECOND-CLASS MAIL MATTER

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 8818) to amend section 287 of title 39 of the United States Code, Supplement V.

The SPEAKER pro tempore. The gentleman from New York calls up the bill H. R. 8818, which the Clerk will report. The Clerk reported the title of the bill.

Mr. MEAD. Mr. Speaker, this bill is on the Union Calendar, and I ask unanimous consent that it be considered in the House as in the Committee of the Whole House on the state of the Union.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I think this should be considered in the Committee of the Whole. I object.

The SPEAKER pro tempore. The gentleman from Wisconsin objects. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8818, and the gentleman from Arkansas [Mr. GLOVER] will please take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8818, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MEAD. Mr. Chairman, this bill (H. R. 8818) has been unanimously reported by the Committee on the Post Office and Post Roads. It merely changes the prevailing rates as applicable to this form of mail matter. The present rate is 1 cent each for 2 ounces of such mail matter, regardless of weight or distance. This law authorizes the users of this class of mail matter to utilize the parcel post and parcel-post rates, which will result in a reduced rate of postage, and, according to information that reaches us from the department, will result in increasing the revenue.

The Postmaster General, in a report on the bill, states:

The purpose of the bill is to modify the rate of postage of 1 cent for each 2 ounces or fraction of 2 ounces now applicable to second-class matter mailed under the conditions set forth in the bill so that the fourth-class or parcel-post rates will apply when the postage at the latter rates would be lower.

Experience has shown that the present transient second-class rate works to exclude mailings of the heavier weights, and it is believed that the modification proposed would increase the volume of such mailings sufficient to bring in additional revenue of approximately \$500,000 annually. Therefore, the bill has the approval of this department, and its enactment into law is recommended.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. KELLY of Pennsylvania. The class of mail matter that this bill applies to, of course, is transient second class, which consists of publications sent out by others than publishers and registered agents.

Mr. MEAD. That is correct.

Mr. KELLY of Pennsylvania. The rate at the present time, 1 cent for 2 ounces, means a rather high rate, and has excluded a great deal of mail matter, so that by reducing this rate the Post Office Department estimates additional revenue will be received of \$500,000.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. LA GUARDIA. Can it be carried at the reduced rate without loss?

Mr. MEAD. We took the figures given us by the department.

Mr. KELLY of Pennsylvania. The Postmaster General makes a different argument on another class of mail matter than he makes on this. I agree with him on this contention.

Mr. STAFFORD. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. STAFFORD. Can the gentleman inform the committee as to the reason why Congress some years back provided that a complete newspaper could be sent in the mails at a lower rate than a fractional part of a newspaper?

Mr. KELLY of Pennsylvania. I can answer the gentleman. That may be possible where this second-class transient rate is higher than the regular publisher rate.

Mr. STAFFORD. When I wish to send any part of a newspaper, after I have purchased it, to some other part of the country I am charged a higher rate than if it is the entire paper. I have no desire to send the advertising supplement, but when I take it to the post office they ask me, "Is it a complete paper or is it but a part of a paper? If it is a complete paper it bears a lower rate than if it is a fractional part." Why that discrimination in rates?

Mr. KELLY of Pennsylvania. The reason for that is that the paper which is only a part of a paper is third-class matter, which rate is 1½ cents for 2 ounces. The complete paper as received from the publisher is transient second class, which has a rate of 1 cent for 2 ounces. Therefore the one-half cent states the difference to which the gentleman refers.

Mr. STAFFORD. Mr. Chairman, I ask for recognition.

The CHAIRMAN. Is there any member of the committee who is opposed to the bill? [After a pause.] If not, the Chair will recognize the gentleman from Wisconsin, Mr. STAFFORD.

Mr. STAFFORD. Mr. Chairman, I merely take the floor for a few moments to direct the attention of the committee to the fact that in the proviso we are seeking to recognize the right to send ad libitum, sample copies of publications. For years certain publishers of advertising sheets have been desirous of securing the privilege of sending through the mails at the pound rate sample copies in excess of the prescribed minimum. I notice the distinguished gentleman from Pennsylvania [Mr. KELLY], who follows this legislation closely when it is brought up on the floor, reading very intently the proviso that I refer to. Will the gentleman explain whether that is the purpose of the proviso?

Mr. KELLY of Pennsylvania. The gentleman knows that now, under the law, there are provisions by which sample copies of a publication may be sent at regular second-class rates. Where it goes over 10 per cent, this rate shall apply.

Mr. STAFFORD. Yes. That is why I have taken the floor. I will ask the gentleman from Pennsylvania whether the committee gave any thought to that recommendation of the Post Office Department?

Mr. KELLY of Pennsylvania. Yes. I will say that at the present time 10 per cent of the total circulation through the mails may be sent at the regular second-class rates. Under this provision if more than 10 per cent goes through, then we are providing that they may use these rates, which are considerably higher than the second-class rates.

Mr. STAFFORD. How much higher?

Mr. KELLY of Pennsylvania. Well, it is the difference between 1½ cents a pound in the first and second zones, for instance, and a rate of 7 cents on parcel post for the first zone. So that this rate is much higher than the rate now given the 10 per cent.

Mr. STAFFORD. Where will we find the provision that would charge 7 cents for these sample copies over the 10 per cent limit now authorized by law?

Mr. KELLY of Pennsylvania. This bill does increase the rate—that where it is less than 8 ounces the rate shall be 1 cent per 2 ounces; but where it goes over that the amount, it shall pay the parcel-post rate.

Mr. STAFFORD. One cent for 2 ounces?

Mr. KELLY of Pennsylvania. That is, up to 8 ounces.

Mr. STAFFORD. I think, gentlemen, we have a very serious proposition before us. I remember—and I am merely giving the benefit of the information I gleaned nearly 30 years ago when I served for 8 years on the Committee on the Post Office and Post Roads—that the so-called advertising-sheet publishers requested us to grant them the free use of the mails. They were willing to pay not only 1 cent a pound, but many times that rate. Now the gentleman is opening the flood gates to these advertising sheets; not to legitimate publications, but to advertising sheets.

He is opening the floodgates so that instead of a limitation of 10 per cent of bona fide subscribers they will be able to send as many publications as they desire to send. At what rate? At a compensatory rate? No. I do not think the rate that is prescribed here, of 1 cent for 2 ounces, is at all compensatory. We know that the second-class mail is paying nothing comparable to the burden of expense imposed upon the Government; that that is where the loss comes; that the first-class mail pays the burden for all this subsidized second-class mail matter.

I see nothing in the report which shows the amount of revenues that would be received by opening the floodgates to these advertising sheets. By this we are permitting the publishers of all newspapers to send through the mail an excess quantity of their publications, regardless of the number of bona fide subscribers. I think that is a serious question for the Congress to consider, especially at this time when we are being confronted with a deficit in the revenues.

It is true we will get more money, but we will pay out more money for the service. It is true we will get more money than we get under the 1-cent-a-pound rate, but the rate as herein provided is not compensatory for the service given.

Here is a letter carrier getting a maximum salary of \$2,100 per annum. He can only carry so much. In prosperous times he is weighted down with first-class matter. You pass this bill and you are going to require additional letter-carrier service for advertising purposes and for advertising purposes alone.

I have not gone into the intricacies as to how much additional cost will be imposed by conferring this additional privilege, but I know the rate is not compensatory and that we are opening wide the privileges of the mails and permitting the sending out of an excess over the limit that has been the limit for years and years. Ten per cent of the bona fide subscribers has been the limit to which publishers could send sample copies.

The gentleman from New York said this was a minor bill. Unfortunately it is one of the few bills I did not have on my list to which I could give consideration. That was my reason for asking that the bill be considered in the Committee of the Whole.

It is a rather major bill because of the extent to which it is going to open the mails to second-class publications.

Mr. FULBRIGHT. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. FULBRIGHT. I would like to ask the gentleman if he knows whether or not this class of mail is now being carried at a loss?

Mr. STAFFORD. It has been acknowledged for years and years that second-class mail matter is the one burden upon

the post-office service, and which this year is occasioning a deficit of more than \$150,000,000. If we were only carrying first-class mail, there would not be a deficit.

Mr. KENDALL. Will the gentleman yield?

Mr. STAFFORD. I yield to the gentleman from Pennsylvania, a member of the committee.

Mr. KENDALL. The true deficit is \$98,000,000 instead of \$150,000,000.

Mr. STAFFORD. The gentleman says the true deficit is \$98,000,000, but the postal year has not been finished. The true deficit for the last fiscal year was \$98,000,000, but I venture to predict—and I do not believe the gentleman from Pennsylvania will challenge the statement—that for the fiscal year 1932 the deficit will be more than \$150,000,000. It has been estimated by the Postmaster General that the deficit will be more than \$150,000,000.

Mr. KENDALL. I understood the gentleman to say that the deficit of the year just past was \$150,000,000.

Mr. STAFFORD. I am referring to the threatened deficit, which makes it necessary to introduce a tax bill which calls for the levying of a sales tax upon every consumer in this country, and that tax is imposed on almost everything except the breakfast table. I ask the gentleman whether it is the purpose to open wide the privilege of sending second-class matter above the present limit of 10 per cent of the bona fide subscribers, that having been the limit for 100 years. The gentleman from Pennsylvania says the rates are increased, but what are those increased rates? That this class of mail shall pay 1 cent for 2 ounces or fraction thereof.

Mr. KELLY of Pennsylvania. The gentleman is under a misapprehension, I am sorry to say. The gentleman should not understand we are doing anything here different from what is being done now as far as volume of mail is concerned. At the present time a publisher can send any number of his publications above 10 per cent through the mails at the third-class rates provided by law. We are providing in the bill that he may send them by parcel post at regular rates, which run as high as 12 cents a pound.

Mr. STAFFORD. What is the rate at which the publisher is now privileged to send this excess number above 10 per cent?

Mr. KELLY of Pennsylvania. At the third-class rate of 1½ cents for 2 ounces.

Mr. STAFFORD. What is the rate in the bill?

Mr. KELLY of Pennsylvania. In some cases it will be 12 cents, which is the parcel-post rate that now prevails, and the lowest rate will be 7 cents, which will pay the cost of transportation and handling.

Mr. STAFFORD. Seven cents a pound, gentlemen, for a little advertising sheet which does not weigh an ounce, and with 16 ounces to the pound, this means 16 copies or more that they are privileged to send a great distance for less than a cent. If you send a circular letter even for local delivery, you are obliged to affix a 1-cent postage stamp, and it can not be sealed.

The gentleman's statement only confirms what I have stated, that while this provision may increase the revenue slightly, it is throwing open the gates to these advertising sheets and permitting these advertising houses to utilize the mails, which we have been guarding against for years and years.

Mr. FULBRIGHT. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. FULBRIGHT. Does the gentleman think this legislation would increase or reduce the deficit?

Mr. STAFFORD. If the premise of the gentleman from Pennsylvania is correct, which I have some reason to question, that the publishing houses to-day have the privilege of sending ad libitum through the mail above the 10 per cent, I am frank to say that, perhaps, a little additional revenue would be derived; but I was predicating my argument upon the assumption—and I was right in that particular—that newspaper publishers could only send through the mails at the pound rate to the extent of 10 per cent of their paid subscribers. I am rather inclined to believe that

the gentleman is right that they could send as third-class matter any amount.

Of course, this is new to me. I have not studied this minutely for years and years. I am projecting this discussion to the House so as to bring out the respective merits of these proposals.

The publishers up to 10 per cent would have to pay merely at the pound rate, but at the third-class rate it would be 1½ cents for each 2 ounces or less—or is it 2 ounces and more?

Mr. KELLY of Pennsylvania. Up to 2 ounces.

Mr. STAFFORD. And for every additional ounce, what is the rate?

Mr. KELLY. The same rate.

Mr. STAFFORD. I have taken this opportunity to bring this matter to the attention of the committee. I hope the chairman will reply, if reply is necessary, to the position I have taken.

Mr. Chairman, I reserve the balance of my time.

Mr. MEAD. Mr. Chairman, our committee had representatives of the department explain the provisions contained in the bill and were advised that the revenues of the department would be increased \$500,000 annually. This measure will not work a hardship on anyone. It will merely permit the use of the parcel-post rates when those rates are lower than the rates now applicable to this particular form of mail matter.

I think the gentleman from Wisconsin [Mr. STAFFORD] is under a misapprehension and is discussing a matter that, in my judgment, has no bearing upon the proposed legislation.

With the gentleman from Wisconsin, I disagree with the Postmaster General occasionally when he informs us that reducing rates will reduce revenue. Here is one instance, however, where I take the word of the Postmaster General when he tells us that reducing the rates or making the lower rates applicable will increase the volume, and in that way increase the revenue. The members of your committee in reporting this bill unanimously felt that the added revenue would, at least in a small degree, contribute to a reduction of the deficit, and for that reason favors the passage of the bill.

Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. LaGUARDIA].

Mr. LaGUARDIA. Mr. Chairman, it is with a great deal of sorrow that I have to call the attention of the House to a most tragic occurrence—tragic because it was avoidable.

A few days ago I referred on the floor to the conditions prevailing in the Century Airlines. I gave this House direct information of the ruthless method being employed by that company under the direction of Mr. Cord, in his cruel attempt to bring down the standard of his pilots. He first came to Washington with a suggestion that he could carry the mails for one-half the rate, received a courteous and attentive hearing, returned to Chicago, called in his pilots, told them he would take the romance out of aviation, reduced and slashed the pay of the pilots 40 per cent, and stated he would bring them down to \$150 a month, which is less than a truck driver receives in a city.

Arbitration was suggested by the pilots, they even went so far as to call upon the Bureau of Conciliation in the Department of Labor. Before the agreed time of truce had expired, the company, on orders of Mr. Cord, discharged all the pilots.

I pointed out to the House on two occasions the conduct of the company and warned the public to keep off of these machines, because they were employing men who did not have experience, compelling them to work under unbearable and dangerous conditions, and it would be simply impossible to operate an air line with any degree of safety under such conditions.

Yesterday two men were killed and five injured in an airplane accident, which was avoidable. The plane was owned and operated by the Century Line in their attempt to lower the standards of aviation. The three injured were being

trained in night flying preparatory to taking passenger planes.

Gentlemen, I can tell you from actual experience that men can not be trained for night flying by the methods employed by this company. I was trained in night flying myself, and under conditions that could not be compared to peace-time conditions. I can assure the House that in peace-time passenger service night flying requires the greatest skill and care. Men must be thoroughly trained and have long experience in night flying before being intrusted with human lives.

Two of the pilots were killed and three were injured. Now, this company has brought disaster and confusion in the aviation industry. It has destroyed the confidence of the public in air transportation. Aviation does not want that kind of people in charge of operations of air lines.

All I can do again is to sound a warning to the public that it is unsafe to travel on Century Airway planes until the company is willing to establish order and until experienced, competent pilots are put back to pilot these planes. [Applause.]

Mr. MEAD. Mr. Chairman, I ask for the reading of the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 287 of title 39 of the United States Code, Supplement V, be amended to read as follows:

"The rate of postage on publications entered as second-class matter, when sent by others than the publisher or news agent, shall be 1 cent for each 2 ounces or fraction thereof, except when the postage at the rates prescribed for fourth-class matter is lower, in which case the latter rates shall apply: *Provided*, That these rates shall also apply to sample copies of publications entered as second-class matter mailed in excess of the quantity entitled by law to be sent at the pound rates, and to copies mailed by publishers to other than subscribers or to persons who are not properly includable in the legitimate list of subscribers required by law."

With the following committee amendments:

That the second paragraph of section 5 of the act entitled "An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39), regulating postal rates, and for other purposes," approved May 29, 1928 (45 Stat. 941, U. S. C., Supp. V, title 39, sec. 287), be amended to read, as follows: Page 1, at the beginning of line 5, insert "Sec. 203."

Amend the title of the bill so as to read:

"An act to amend the second paragraph of section 5 of the act entitled 'An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39), regulating postal rates, and for other purposes.'"

Mr. STAFFORD. Mr. Chairman, I must confess that I did not have the bill on my list, otherwise I would have been better prepared to discuss its provisions. The gentleman from Pennsylvania says that the rate of postage will be higher on this additional quantum that would be privileged to be sent by publishers in excess of the 10 per cent limit.

Since I had the floor a moment ago, I have looked at the report and notice that the only change in existing law is that which is embodied in the bill, on page 2, fourth line, after the word "thereof," "except when the postage at the rates prescribed for fourth-class matter is lower, in which case the latter rates shall apply."

Then there is this proviso, which is new law:

Provided, That these rates shall also apply to sample copies of publications entered as second-class matter mailed in excess of the quantity entitled by law to be sent at the pound rates.

What rates—the existing rates now applicable to second-class matter of 1 cent for 2 ounces or fraction thereof?

Mr. KELLY of Pennsylvania. The parcel-post rate, which is a zone rate, 7 cents for the first zone, and up.

Mr. STAFFORD. Does the gentleman believe that by the added burden of this second-class mail to the post office, even though additional revenue will come into the postal funds, it would still make a real saving and that the cost of the service would not be greater than the rates herein prescribed?

Mr. KELLY of Pennsylvania. Mr. Chairman, the gentleman from Wisconsin [Mr. STAFFORD] is mistaken about this bill. At the present time a publisher sends out any amount of second-class mail matter over the 10 per cent allowance

and pays the regular third-class rate, which is high enough to cover the expense. We have in this case established the parcel-post rates as applying. There is no opening of the gates. The difference between expense and income will show \$500,000 clear gain, according to the department.

Mr. STAFFORD. I hope the gentleman is correct, but I have serious doubts about it. I withdraw the pro forma amendment.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. BANKHEAD having assumed the chair as Speaker pro tempore, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 8818 and had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read:

A bill to amend the second paragraph of section 5 of the act entitled "An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066; U. S. C., title 39), regulating postal rates, and for other purposes."

A motion to reconsider the vote by which the bill was passed was laid on the table.

MONEY-ORDER FEES

Mr. MEAD. Mr. Speaker, I call up the bill H. R. 10246, to fix the fees to be charged for the issuance of domestic money orders, which I send to the desk and ask to have read.

The SPEAKER pro tempore. The gentleman from New York calls up the bill H. R. 10246, which the Clerk will report by title.

The Clerk read the title of the bill.

The SPEAKER pro tempore. This bill is on the Union Calendar. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10246, and the gentleman from Arkansas [Mr. GLOVER] will please take the chair.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10246, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MEAD. Mr. Chairman, this is a bill to fix fees to be charged for the issuing of domestic money orders. It was recommended to us by the Postmaster General. In his recommendation he sought to have authority to fix the rates left with the Post Office Department. The committee, however, decided to fix a schedule of rates, and they are contained in the bill. It is estimated that this bill, which increases the first two rates, will augment the revenues of the department by \$1,250,000. The bill comes before us with the unanimous report of the committee.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. STAFFORD. When the hearing was had on this bill, did the postal authorities make any suggestion that the rates on the larger amounts for which money orders are authorized to be issued should be increased, or did the postal authorities request the privilege of authorizing the issuance of money orders in excess of \$100, which is the limit at the present time?

Mr. MEAD. The recommendation of the department was given in the annual report. The department did not appear on this bill before our committee. We asked the department to suggest a schedule of rates and explained that we did not see fit to report out a bill giving authority to the Postmaster General to fix the rates. Then the committee took that matter up in executive session and reported out this bill.

Mr. KELLY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. KELLY of Pennsylvania. In further answer, the highest amount set on money orders has been \$100, and in a later bill the gentleman will find that we have taken care of the increased amount sent through the mail under registered mail, and provide a new bracket on that.

Mr. STAFFORD. This is not embodied in the bill under consideration.

Mr. KELLY of Pennsylvania. No.

Mr. STAFFORD. And you are seeking to raise this additional million and a quarter dollars by raising the rates on money orders below \$5?

Mr. KELLY of Pennsylvania. Below \$5; and 63 per cent of all money orders now being sent are less than \$5. The loss runs into millions on those smaller money orders. We put 1 cent on those two brackets up to the \$5 money order.

Mr. STAFFORD. Did the committee give any consideration to the thought of increasing the charge for money orders in amounts ranging from \$40 to \$60, from \$60 to \$80, and from \$80 to \$100?

Mr. KELLY of Pennsylvania. The committee did, but the difficulty about that is that we run into some commercial companies who send money under insurance, and we found out the best we could do was to deal with those small money orders, where the loss in 1931 was \$11,000,000. We endeavored to go on those lower money orders as high as we could.

Mr. STAFFORD. The gentleman states the loss of operation of the money-order service of the Post Office Department is \$11,000,000.

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. Does the gentleman mean to connote that such loss is due to the fees being under the cost rate, or that loss was also incurred due to the loss of money orders?

Mr. KELLY of Pennsylvania. The entire receipts are about \$16,000,000, while all the expenses amount to \$27,000,000, showing a discrepancy of about \$11,000,000. However, we are in competition with certain commercial companies on this business.

Mr. STAFFORD. Has the gentleman's committee given any consideration to the comparative rates charged for the dispatch of money by express companies?

Mr. KELLY of Pennsylvania. We are dealing with that in the registration bill.

Mr. STAFFORD. I think if there is such a tremendous loss as \$11,000,000 in the operation of the money-order service, and the bill only provides for an increased revenue of \$1,250,000 to make up that deficit, and that \$1,250,000 is to be derived from money orders under \$5, that the committee might well have considered increasing the rates on the money orders above the \$5 limit.

All that is done in this bill is to increase the rate by 1 cent on money orders below \$5, yet it is not increased above \$5. Why would it not be advisable, if we are going to receive \$1,250,000 from all these money orders under \$5, to increase the rate on the money orders from \$5 to \$10, now 10 cents, 1 or 2 cents? It would be impossible to get a check or any kind of medium of exchange from an express company for \$10 at a fee of 10 cents. If the loss is so tremendous, as the gentleman says, why would it not be advisable to increase the present 10-cent rate 2 cents? For instance, on money orders from \$20 to \$40, for which the rate is 15 cents, why not increase it 1 cent? Will we be doing any serious havoc to the operation of the Postal Service by increasing those rates nominally?

Mr. KELLY of Pennsylvania. The loss is largely in the money orders under \$5. The real answer to the gentleman's question is under consideration by the Committee on the Post Office and Post Roads, and that is the substitution for these smaller money orders of postal notes, which at one time were in use in the Post Office Department, but were discontinued, where there would be no accounting, where the money would go through the mail and be cashed at face value. That would remove a great deal of the loss on these money orders under \$5.

Mr. NELSON of Missouri. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. NELSON of Missouri. The object, as I understand, is to raise more revenue?

Mr. KELLY of Pennsylvania. And to avoid losses.

Mr. NELSON of Missouri. Perhaps this question is not germane, but I wish my colleague would tell me whether or not the Government makes a profit from the printing of stamped envelopes?

Mr. KELLY of Pennsylvania. They report to us that they do make a profit over all costs. However, that question is under consideration.

Mr. NELSON of Missouri. Are those envelopes printed by the Government or printed by private contract?

Mr. KELLY of Pennsylvania. Under contract, four years at a time.

Mr. NELSON of Missouri. When does that contract expire?

Mr. KELLY of Pennsylvania. I think it expires this year.

Mr. MEAD. Yes; I believe it expires this year—1932.

Mr. NELSON of Missouri. I want to say that I hope we may take steps to take the Government out of competition with private business in the printing of stamped envelopes.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. HOGG of Indiana. I have introduced a bill to that effect, and it is scheduled for hearing in the near future.

Mr. NELSON of Missouri. I was aware of that, and I pledge my entire support to the gentleman's bill.

Mr. STAFFORD. That subject has been under consideration for many years, and is still dangling in the air without getting anywhere. That has been in force for 30 or 40 years. In the sales of these embossed envelopes in large quantities, where they do not take up the additional postage rate, the postmaster gets the fee as an additional increment to his salary, or is it now, under the regulations, turned over to the postal revenues?

Mr. MEAD. As I understand, it goes in with the revenues of the local post office as apply to stamps.

Mr. STAFFORD. In years back that little increment of profit went to the postmaster. I did not know whether any recent postal regulation had provided for it to go to postal revenues or not. For instance, the postmaster buys twenty-five 2-cent embossed envelopes for 56 or 59 cents. If he sells each one at 3 cents, he has a gain of 16 cents on the 25 sold. In years gone by that went to the postmaster. In that event the Government does not make any profit from the sale of embossed envelopes.

Now, I wish to direct the gentleman's attention to the bill under consideration. I am rather impressed with the idea that we should increase these rates above the \$5 money order. We would not do any violence by such action, because there is no competitive agency that can meet that condition. Under existing law, we charge 10 cents for money orders from \$5 to \$10. Now, we have a large deficit here. What harm would be done by increasing that, as was done in the other, by 1 cent or even 2 cents? Let us make some gesture toward getting revenue. It does not require any hearing.

Mr. MEAD. I may say that the committee considered the entire rate structure as applying to money orders and found that the losses sustained were mainly attributed to these two classes, and these two classes were increased 1 cent each. That will increase the revenues \$1,250,000. We

found it is just about as expensive, as far as the Post Office Department is concerned, to handle a small money order as it is to handle a large money order. We are making some revenue on the larger money orders and we are losing considerable on the lesser ones, so without doing violence to the entire structure, we thought this bill would be acceptable. I concede that the gentleman is making a very good point; the committee may later consider his suggestion and perhaps revise the entire rate structure. But for the present I hope the gentleman will permit us to consider this bill.

Mr. STAFFORD. But here is the practical situation, as admitted by the gentleman from Pennsylvania [Mr. KELLY]: In the operation of the money-order service there is a deficit of \$11,000,000. The chairman of the committee says that most of that loss arises from the issuance of money orders under \$5. The committee raises the rate on those money orders 1 cent. If the rate in each of the next brackets were raised 1 cent, about how much would that make?

An additional quarter of a million dollars, and there is still dangling in the air a deficit of \$10,000,000, and no attempt is being made to meet that deficit. The gentleman says eventually—but why not now? Why not now increase those rates? I do not mean to increase the 5-cent rate. But I mean to go into the next two brackets, from \$5 to \$10 and from \$10 to \$20. Why not increase those rates 1 cent? If I were on the committee I would move to increase the 10-cent rate to 12 cents, and not only a 1-cent increase. If we did that, I do not believe it would mean much to those who buy money orders in the denominations of \$10, \$15, and \$20, and I believe they are the ones which are mostly used.

I do not want to project my thought on this committee unless it meets with favor, but I think that is a conservative suggestion which the committee could well accept.

There is no private agency anywhere through which you can send a money order for less than 15 cents, probably not for less than 25 cents.

I appeal to the gentleman. I am for economy, and I am only making this suggestion as to those two brackets, increasing the proposed rate from 10 cents to 11 cents and from 12 cents to 13 cents. If that were done the committee could not be charged with having increased the smaller rates, mostly paid by poor people who use money orders amounting to \$5 or below. I can not see any objection to it, and I really think it is a businesslike, practical suggestion. If I offer such an amendment I would like to have the approval of the committee. I do not want to do anything violently objectionable to the committee. My suggestion is to increase the rate for the issuance of money orders amounting to \$5 to \$10 from 10 cents to 11 cents, and on the \$10 to \$20 money orders from 12 cents to 13 cents.

Mr. KELLY of Pennsylvania. I hope the gentleman will not press that amendment, because we have been faced with the situation that money is being sent now by private companies at about what this rate will be.

Mr. STAFFORD. What private company sends the money order amounting to \$10 for 10 cents?

Mr. KELLY of Pennsylvania. There are travelers' checks and money orders of one kind and another.

Mr. STAFFORD. Not in denominations of \$10. As I had about won the support of the chairman of the committee, then I find the opposite effect on this side.

Mr. KELLY of Pennsylvania. It will change the structure.

Mr. STAFFORD. It will not change the structure. I am carrying out the theory because I am leaving the next rate from \$20 to \$40 at 15 cents, but from \$10 to \$20 it will be 13 cents. Therefore I am carrying out the very principle the committee is suggesting. Because I have suggested this on the floor I hope the gentleman is not going to kick it to the rear.

Mr. UNDERHILL. Will the gentleman yield to me so that I may ask some questions?

Mr. MEAD. Yes; I yield.

Mr. UNDERHILL. Has the committee in contemplation raises on other lines of business which the Post Office Department is carrying on, increasing the revenue to some

degree in order to meet the deficit incurred in carrying on these lines of business?

Mr. MEAD. I will say to the gentleman that we have a number of bills on our calendar to-day, and we estimate the total increased revenues will be \$15,770,000 providing the bills are enacted into law.

Mr. UNDERHILL. Would it be unethical or any betrayal of confidence if the chairman of the committee stated what influences, if any, are brought to bear upon the committee in inducing it to accept the rate for the carrying on of these ordinary business transactions which is below the cost to the Government of carrying on such transactions?

I do not say the Government should make a profit, but I do feel that if it is going into competition with people who handle a similar line of business, the least the committee could do would be to make both ends meet. As the gentleman from Wisconsin said, the mere increase of 1 cent does not begin to wipe out the deficit, so why not increase it enough to wipe out the deficit, or nearly so, and see what the effect will be? Heretofore the policy of the Post Office Department has been, when they found a deficit in any one of these activities, to immediately increase the volume of business and make for a bigger deficit. That is what they did as to parcel post, money orders, and insurance. It is a ridiculous proposition for Congress to allow the Post Office Department to go into the insurance business and lose from \$5,000,000 to \$10,000,000 on that business, and at the same time the people it is supposed to benefit really have to pay the bill. In reality they do not benefit. Most of this benefit goes to the department stores, the mail-order houses, and those who really ought to meet the cost of transportation, of insurance, and of the banking business. They ought to meet it and not pay it out to their stockholders in dividends, when they create it out of the taxpayers of the country.

I hope the committee will accept the suggestion of the gentleman from Wisconsin and let us see what we can do along this line, because I think it would be a mighty good step in the right direction.

Mr. MEAD. I will say to the gentleman that the committee has been very diligent in holding meetings and hearings on bills applying to the rates of postage; but, in view of the fact that our Calendar Wednesday approached so rapidly, it was impossible for us to get any more bills upon the calendar than we now have here. We are considering other bills that coincide with the ideas expressed by the gentleman, and the committee is trying to place the Post Office Department on a better financial basis.

During the last two or three years the revenues of the department, as a result of the depression, have decreased approximately twenty-five or thirty million dollars a year; that is, considering the expected normal annual increase as against the recent decrease. Had the normal increase in volume continued, we would have eliminated most of the deficit by this time.

Mr. UNDERHILL. The gentleman may answer this question or not, as he wants, and I shall consider it no discourtesy whatever if the gentleman declines to answer; or if it is unethical, the gentleman need not answer. Is the Post Office Department itself or its representatives responsible, largely, for this inactivity on the part of Congress, or do they oppose such businesslike methods as will bring the department under a business administration and put it on a business foundation? Does the gentleman find that he has difficulty in the committee in dealing with the Post Office Department itself?

Mr. MEAD. I will say to the gentleman, considering the many activities of the Postal Service, we might be in agreement on one particular matter and in disagreement on another. We have our conflicts, just like any other committee. The department makes its recommendation to the committee and to the Congress in its annual report, and we have taken from their annual report such suggestions as would carry out the thought underlying the gentleman's argument. We have written those suggestions into bills, and we have brought them in here with the idea of raising the revenue

and decreasing the deficit and placing the department on a better business basis.

Mr. UNDERHILL. I compliment the committee for what it has done, and I am trying to be helpful, if it is possible for one outside of the committee to be helpful; but the policy of the department has been that when they lose \$5,000,000 on express and freight business designated as parcels post, they raise the limit from 5 pounds to 10 pounds, and then when they have \$10,000,000 deficit, they raise it to 50 pounds, and then when they get a \$20,000,000 or a \$25,000,000 deficit they raise it to 70 pounds, and still increase the deficit all the time. I do not know whether the Committee on the Post Office has the power to say to the head of the Post Office Department, "Thus far shall thou go and no further. If you are going to increase this deficit and continue to do so by increasing the business you carry at a loss, we are going to stop you" or not.

Then there is one further thing, and I suppose this is a very embarrassing situation, but I want to emphasize it more than I did the other day on the floor of the House. Congress is constantly criticized as being unfair and unjust to the taxpayer through the use of the franking privilege, which costs about \$550,000 a year. This is about the cost to the Post Office Department, and yet Congress through the Post Office Department accords to the newspapers and the periodicals and the magazines franking privilege to the extent of \$96,000,000, and the very newspapers that are criticizing Congress are the beneficiaries of such liberality.

Mr. HASTINGS. If the gentleman will permit an interruption, I have read the Postmaster General's report for the past year, and the Postmaster General, as I understand from his report and from his interviews and releases, favors increasing the rate of postage on first-class mail matter.

Mr. UNDERHILL. On which the department makes 500 per cent.

Mr. HASTINGS. I am pleased to note that the gentleman is in favor of increasing the rate only on the mail matter that creates the deficit.

Mr. UNDERHILL. Absolutely.

Mr. HASTINGS. And, of course, the gentleman from Massachusetts knows that there is no deficit in the first-class mail, and therefore that rate on that class of mail ought not to be increased or raised.

Mr. UNDERHILL. Oh, I will say to the gentleman from Oklahoma that if any private concern or any corporation or any individual had the power and made a profit on a necessity, such as the carrying of the mail, of 500 per cent on first-class business, this Congress would get up on its hind legs and raise Cain and would not allow it to continue; and yet the only way the Postmaster General says we can wipe out this deficit is to increase the rate on first-class mail and make a profit of 700, 800, or 1,000 per cent. Now, this is not right.

Mr. HASTINGS. I am pleased to know that the gentleman from Massachusetts agrees with me and others that the rate on first-class mail should not be increased.

Mr. UNDERHILL. In other words, first-class mail is a necessity. It is a necessity to the people of this country, but we have other mediums of transportation. We have express companies, we have banks, we have insurance companies that can carry on these various lines of business that create such a tremendous deficit, and we ought to restrict our business along that line or else put the cost at a price which would wipe out the deficit.

Mr. HASTINGS. If the gentleman will permit, I heartily agree with him, and I think a careful study by the Postmaster General should be made of every class of mail and the cost of each class ascertained, and, so far as we can by legislation, Congress should make every class pay its fair proportional part of the expenses.

Mr. UNDERHILL. Can the gentleman, can anybody tell me, and I issue a challenge to everyone here to tell me, why the country newspapers should be carried free? We are spending something over \$8,000,000 to frank country newspapers. Why should we spend that amount of money to carry the Saturday Evening Post and the Ladies' Home Jour-

nal and such other publications that carry a tremendous amount of advertising, for which they get anywhere from \$500 to \$1,500 a page?

Mr. HASTINGS. The gentleman is touching a very tender spot.

Mr. UNDERHILL. I am not afraid of that tender spot.

Mr. HASTINGS. I recollect that some years ago Claude Kitchin made a gallant fight, attempting to make those large publications pay the expense of transportation through the mails, but my recollection is that he was unsuccessful.

Mr. STAFFORD. I beg the gentleman's pardon, he was successful.

Mr. UNDERHILL. They say that the racketeers have got us by the throat, and here are the leaders of education, who are playing a good racket on the Government and on the people of the United States, a greater racket than any kidnapers or others engaged in the practice of racketeering.

It is costing hundreds of millions of dollars, and it ought to be stopped. They got it simply because they had the power to reach out and say to the people, "You can not get this magazine or this paper for 5 or 20 cents if Congress is going to add to the postage rate. If they do, we have got to charge it back to you." And then the Members of Congress are flooded with propaganda telling us that we must not increase the cost of magazines.

Mr. HASTINGS. The gentleman from Wisconsin corrects me and says that Mr. Kitchin was successful in raising the rate a few years ago. I was under the impression that he was not successful.

Mr. STAFFORD. Let me say that a subsequent Congress, however, lowered these high rates which Claude Kitchin advocated and succeeded in putting into the law.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman five minutes.

Mr. HOGG of Indiana. Mr. Chairman, we are getting far afield from the amendment suggested by the gentleman from Wisconsin. Let me clear up one or two matters which he has raised. The gentleman from Massachusetts seems to think that we can make a hard-and-fast rule for postal charges as easy to solve as the multiplication table. Fixing rates is not as simple a matter as that. A few years ago it was called to the attention of Congress that the rates on postal cards of 1 cent should be increased, and it was figured that by an increase from 1 cent to 2 cents \$20,000,000 would be derived, or an increase of \$10,000,000. Congress increased the rate from 1 cent to 2 cents on postal cards, and the result was that during the following year there was a falling off in the postal-card receipts of \$6,000,000. Now, let us go back to the proposition of the gentleman from Wisconsin.

Mr. UNDERHILL. How can the gentleman say that there was a loss of that amount? By saying 2 cents I would rather write a letter and put it in a sealed envelope than send it on a post card.

Mr. HOGG of Indiana. All of us would; but Congress passed the law believing the public would look at it in a different way. There are many leaks in post-office receipts. I say to my friend from Massachusetts [Mr. UNDERHILL] that his figures are altogether too large as to what the department loses on the transmission of second-class mail. I shall not take the time now to go into that proposition in detail.

Mr. UNDERHILL. I took my figures of ninety-six and a half million dollars from the Record, which figures, in turn, were submitted by the gentleman from Illinois [Mr. ARNOLD], who got them from the Post Office Department.

Mr. HOGG of Indiana. In regard to another matter, before returning to the item under discussion, I do not know of any reason, and I do not know of anyone who can give a reason, why the Government ought to indulge in printing returns on envelopes, whether it does it itself or farms out the contract, any more than the Government should indulge in selling shoes or sugar to the people of the United States.

If we arbitrarily increase this postal money-order rate to a point where it will not be patronized by the public, then

we will have deprived ourselves of the very object we are seeking to accomplish. We ought to go slow in increasing rates, that we may not call into use the potential competition in this matter which exists on every hand.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. HOGG of Indiana. I yield.

Mr. HARLAN. Has the gentleman the figures as to whether or not the Government receives any money in the printing of returns on envelopes?

Mr. HOGG of Indiana. The Government does not spend any money direct, but it carries the printed envelopes from Dayton, Ohio, to California, Maine, and Alaska free. The Government lets a contract to the detriment of printers in every town and city in the Nation except one printing plant in Dayton, Ohio.

Mr. HARLAN. It is paid for by the people who get the envelopes, is it not?

Mr. HOGG of Indiana. Theoretically only.

Mr. HARLAN. How can you pay for anything theoretically? It is paid for, and it renders a profit, does it not—

Mr. HOGG of Indiana. It does not.

Mr. HARLAN. To the firm that does the printing; and is it not a fact that this is not done by the Government but it is done by a private concern under contract?

Mr. HOGG of Indiana. It is done under contract.

Mr. HARLAN. Why did the gentleman make the remark that the Government should not be in the printing business?

Mr. HOGG of Indiana. There are good printers out of work in every town in the United States. The Government should not be in the printing business in competition with printers throughout the country. There are 57 other varieties of business in which the Government ought not compete.

Mr. UNDERHILL. How does the gentleman draw the distinction between the printing business and the insurance business and the transportation business and the express business and the banking business?

Mr. HOGG of Indiana. Congress would indeed render a needed service if it would divorce government from competitive business. The function of government is to govern and not to indulge in competitive business with its citizens.

Mr. KELLY of Pennsylvania. As to the question asked by the gentleman from Massachusetts [Mr. UNDERHILL], since no one seemed to answer concerning the weekly newspapers, which are given the free privileges, I will say that that privilege was granted in 1851 by the Congress to help the small papers in the country districts. To-day it applies only to those offices where there is no delivery service, so that it does not cover every place. It does cost about \$8,000,000, due to the policy of Congress. In regard to the Saturday Evening Post, which with other large magazines is always under fire, it is admitted by the Post Office Department, after long study, that any publication that weighs 8 ounces or more pays its full cost of handling and that the loss on second-class matter is entirely due to those smaller publications that go through the mail in vast quantities, each requiring handling and delivery service.

Mr. MEAD. Mr. Chairman, I now yield five minutes to the gentleman from Oklahoma [Mr. McCLINTIC], and then I shall be obliged to ask the House to refrain from these extraneous discussions in order that we may get on with our calendar.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, much has been said about the cost of the circulation of the small country newspaper. I distinctly recall that the small newspapers take quite an active interest in matters relating to their own little home surroundings, to the extent that they use very large amounts of space for which they receive no pay. I have also noticed that they likewise publish articles about Members of Congress, and we who are Members of Congress are always pleased when they print something complimentary that relates to our service. In my time I want to read a short statement from a county newspaper in my district.

Mr. UNDERHILL. Mr. Chairman, I do not object to the gentleman reading this article, if he will agree to leave out

the advertising feature in connection with it and not name the source of his article.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, I do not yield.

Mr. UNDERHILL. I rise to a point of order. I have a perfect right to object to the gentleman reading into the Record any matter which he attempts to read. I do not object to his reading this matter into the Record, but I do object to using the Record as an advertising medium for either country or city newspapers or any other printed article. Unless the gentleman will agree to eliminate the name of the paper from which he quotes, I shall have to object.

The CHAIRMAN. The gentleman will proceed in order.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, the distinguished gentleman from Massachusetts has sought to take me off my feet because I had in mind making some complimentary statements about a country newspaper that is published in the district which I have the honor to represent. I likewise desire to give credit to the editor of this paper, because this statement was published in his paper without my notice, and inasmuch as it referred more to my service rather than to myself as an individual, I thought it would be beneficial to put it into the Record. But in view of the attitude of the gentleman from Massachusetts, in view of the fact that he feels that this country newspaper should not receive any recognition by name, under the circumstances I will yield to the gentleman's desires.

Mr. UNDERHILL. Will the gentleman yield?

Mr. McCLINTIC of Oklahoma. I yield.

Mr. UNDERHILL. The gentleman knows that everyone of us is impressed with the value of the gentleman's services, none more than I. It does not need the indorsement of a country newspaper to tell Members of Congress how valuable the gentleman is to the Nation.

Mr. McCLINTIC of Oklahoma. This statement did not refer to me so much personally as it did to the character of service a person is capable of rendering who has had the same length of service as myself.

Mr. OLIVER of New York. Will the gentleman yield?

Mr. McCLINTIC of Oklahoma. I yield.

Mr. OLIVER of New York. What is the name of this country newspaper?

Mr. McCLINTIC of Oklahoma. The paper is the Beckham County Democrat, published at Erick, Okla.

Mr. OLIVER of New York. And who is the editor?

Mr. McCLINTIC of Oklahoma. A distinguished gentleman by the name of J. B. Miller.

Mr. OLIVER of New York. And he agrees with all the rest of us, that the gentleman's service in the House of Representatives has been excellent? I would be glad to hear the remarks which the gentleman had to make.

Mr. McCLINTIC of Oklahoma. He made a very nice statement in this connection, which was to the effect that only a few understood congressional rules and regulations, and that a Senator or Congressman can better benefit his district after he has had a long service, because this allows him to be placed on important committees, and such assignments enable the Senator or Representative to have a voice in taking care of many public questions of importance. He was also nice enough to call attention to the fact that I am the ranking member of an important committee, and that other districts that have retained their Members in Congress for long periods were the ones that profited the most, concluding with a statement which, in substance, is that a district that changes its Representative after he has reached a high place loses not only prestige but all that has been gained by long service. This article was not personal, because it contained a statement that he had no personal interest in the candidacy of any man, and that he did not owe me anything but respect for that which had been achieved. Therefore, I think it would have been beneficial for the entire House to have read this article; but in view of the fact that the gentleman from Massachusetts does not think this ought to go into the Record, I am hoping that this will answer the questions asked by the gentleman from New York.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. McCLINTIC of Oklahoma. I yield.

Mr. HOGG of Indiana. I wish to call the attention of the House to the fact there are 32,000 free issues of the CONGRESSIONAL RECORD. There are only 700 people in the United States who pay for the RECORD, and I think something in it occasionally about country newspapers would be valuable.

Mr. McCLINTIC of Oklahoma. I have always taken the position that the country newspaper is entitled to a great deal of consideration, and especially do I agree with the gentleman with respect to his viewpoint on contracts for stamped envelopes.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. MEAD. Mr. Chairman, I ask that the Clerk read the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act to modify the postal money-order system, and for other purposes," approved March 3, 1883, as amended (U. S. C., title 39, sec. 716), is amended to read as follows:

"Sec. 3. A money order shall not be issued for more than \$100, and the fees for domestic money orders shall be as follows:

"For orders—

"From \$0.01 to \$2.50, 6 cents;

"From \$2.51 to \$5, 8 cents;

"From \$5.01 to \$10, 10 cents;

"From \$10.01 to \$20, 12 cents;

"From \$20.01 to \$40, 15 cents;

"From \$40.01 to \$60, 18 cents;

"From \$60.01 to \$80, 20 cents; and

"From \$80.01 to \$100, 22 cents."

Mr. STAFFORD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. STAFFORD: Page 2, line 2, strike out the numeral "10" before the word "cents," and insert "11"; in line 3, strike out the numeral "12" before the word "cents" and insert "13."

Mr. MEAD. Mr. Chairman, I accept the amendment and ask its adoption.

The amendment was agreed to.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10246) to fix the fees to be charged for the issue of domestic money orders, and had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the bill was passed.

On motion by Mr. MEAD, a motion to reconsider the vote by which the bill was passed was laid on the table.

FEE FOR DOMESTIC INSURED AND COLLECT-ON-DELIVERY MAIL OF THIRD AND FOURTH CLASSES

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 10247) prescribing fees and corresponding indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes, and for other purposes.

The SPEAKER. The gentleman from New York calls up a bill, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar, and the House automatically resolves itself into the Committee of the Whole House on the state of the Union.

Accordingly the House automatically resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10247, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MEAD. Mr. Chairman, this bill prescribes certain fees and indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes. It is recommended by the Postmaster General in his annual report. It was considered and unanimously recommended by your Committee on the Post Office and Post Roads. We are advised that the additional revenues to be produced as a result of this legislation will amount to \$2,500,000.

The bill increases the fees for insurance from 8 cents to 10 cents for indemnification not to exceed \$25. It increases from 10 cents to 15 cents the charge for indemnification not to exceed \$50. It also adds some new rates, and provides for additional services.

The fee for collect-on-delivery service, which is now 12 cents for collections not to exceed \$10, will be changed to read "the fee for collect-on-delivery service for domestic third and fourth class mail shall be 12 cents for collections and indemnity not to exceed \$10," and for several other new rates not contained in the present law.

The new rates can be found on the last page of the report. They are 17 cents for collections and indemnity not to exceed \$25; 22 cents for collections and indemnity not to exceed \$50; 32 cents for collections and indemnity not to exceed \$100; 40 cents for collections and indemnity not to exceed \$150; and 45 cents for collections and indemnities not to exceed \$200.

This bill is an effort to make up for some of the losses sustained in this service. As I said before, it has been recommended both by the department and the committee.

Mr. STAFFORD. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. STAFFORD. Has the gentleman any estimate as to the amount of revenue that will be derived from these two respective services by increasing the rate, one for indemnification and the other for collect on delivery?

Mr. MEAD. I have not a copy of the cost-asertainment report here.

Mr. KELLY of Pennsylvania. It is estimated that this bill will raise \$2,500,000.

Mr. STAFFORD. I want to know if the gentleman has any estimate of the segregated services. You increase the rate on indemnifications in the lower amounts from 8 cents to 10 cents and from 10 cents to 15 cents, but you increase them materially on the collect-on-delivery mail. Can the gentleman give us any figures as to the additional revenues resulting from these respective services?

Mr. KELLY of Pennsylvania. Yes. Those changes on insured mail will bring in additional revenues of \$1,455,000. The changes in collect-on-delivery mail will bring in \$1,045,000.

Mr. STAFFORD. I assume the gentleman has figures as to the amount of money the service is losing in the operation of these two respective services. If the gentleman has those figures, I would like to have them.

Mr. KELLY of Pennsylvania. I have those figures, because I thought they would be interesting to the committee. The insurance mailings last year brought in \$7,613,000, and the expenditures in connection with it were \$10,655,000, leaving a deficit or discrepancy of \$3,041,000. That is on the insured mail. On the collect-on-delivery mail the deficiency in the cost, according to the cost ascertainment, was \$5,000,000. So, as to the two services there was a loss in 1931 of some \$8,000,000.

Mr. STAFFORD. Then the collect-on-delivery mail had a net loss of \$5,000,000?

Mr. KELLY of Pennsylvania. Five million three hundred and twenty-one thousand dollars.

Mr. STAFFORD. Then there will still be a deficit notwithstanding the increased rates which the committee proposes.

Mr. KELLY of Pennsylvania. There will still be a deficit; and we are trying to get that deficit cut down as much as possible without at the same time injuring the service and destroying it to the public.

Mr. STAFFORD. What comparable service in private business comes in conflict with the collect-on-delivery service?

Mr. KELLY of Pennsylvania. There are private insurance companies that will take mail and insure it at small fees.

Mr. STAFFORD. The express companies do that to a large extent in connection with the collect-on-delivery mail?

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. Has the gentleman any information, from his long and close study of the operations of the Postal Service, as to whether the large department stores utilize the parcel-post service, or do they utilize the express companies for collect-on-delivery service?

Mr. KELLY of Pennsylvania. They are patronizing the parcel post and third-class mail very largely. I think they prefer it wherever they can get the service, but in some cases they can not get insurance beyond a certain amount.

Mr. TILSON. Is it correct that the Post Office Department, without additional legislation, can change the rates on parcel-post matter?

Mr. KELLY of Pennsylvania. They can not do anything without the Interstate Commerce Commission. Under the law as it stands at present the Postmaster General can go to the Interstate Commerce Commission, present his case, and the Interstate Commerce Commission can then increase or decrease rates.

Mr. TILSON. Is it not a fact that the Government loses on its parcel-post service as a whole?

Mr. KELLY of Pennsylvania. Well, the cost ascertainment for 1931 indicates a loss of \$21,000,000 on fourth-class mail. However, there is considerable question as to the apportionment of the cost; that is, as to whether it can be as high as that. The Postmaster General desires to raise \$12,000,000 through increased rates by the Interstate Commerce Commission.

Mr. TILSON. Does not the gentleman think when the Government delivers a package at a residence miles away from the post office, after having carried it for more miles on the train, that it is losing money?

Mr. KELLY of Pennsylvania. Well, I will say to the gentleman the provision of the law is that where the rates are losing money and where it is preventing the shipment of articles desirable to be shipped, the Postmaster General is permitted to go to the Interstate Commerce Commission and get higher rates. All that it is necessary to prove is that we are losing money and then the mandatory provision of the law comes into effect.

Mr. TILSON. Many parcel-post packages are delivered for 10 or 15 cents some distance from the post office, and it seems to me that the Government must certainly lose money in delivering these packages miles away from the post office, especially when there may be but few packages in a large, heavy truck.

Mr. KELLY of Pennsylvania. I agree with the gentleman. The cost ascertainment shows a great loss on packages in the first, second, and third zones, but a profit on the zones farther away.

Mr. TILSON. Are not the rates rather low in the first and second zones?

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. When the service was first established the rate in the first zone for the delivery of a 1-pound package, as I recall, was 5 cents?

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. At that time it was absolutely impossible for my imagination, no matter how wild it would run, to conceive how the Postal Service, paying a letter carrier at that time \$1,800 per annum—

Mr. KELLY of Pennsylvania. One thousand two hundred dollars.

Mr. STAFFORD. At that time we had increased the salaries of postal employees in the first-class offices. That was away back in 1910. It was based on population and at that time we increased them from \$1,200 to \$1,800. At that time the Hon. Jesse Overstreet was chairman of the committee, and I served on that committee. That was during the period from 1903 to 1911. As I am getting along in years, I recognize that sometimes I may be mistaken, and in this particular I will yield to the keen intellect of the younger gentleman from Pennsylvania.

Mr. KELLY of Pennsylvania. I thank the gentleman.

Mr. STAFFORD. It is almost impossible of conception that the Postal Service, no matter how large the volume in the carriage of parcel post, could carry 1-pound packages at a fee of 5 cents, and that is where the loss was then, has been, and still is, and I can not understand why the Post Office Department in these many years has not sought to increase to a paying basis the rate on this class of merchandising which is availed of not by the public generally but by the storekeepers in certain localities, who use it in the distribution of their merchandise. Instead of operating delivery service themselves at a higher expense, they utilize the Postal Service for that purpose, and the Postal Service is performing this service at a much less compensatory rate than is received.

Mr. KELLY of Pennsylvania. As the gentleman knows, since 1912, when the parcel post law went into force, the only increases that have been made in rates have been made by Congress, so that the Congress of the United States has increased them. However, the Postmaster General is now asking for an increase.

Mr. STAFFORD. Yes; those increases were made, as referred to a little while ago, just following the war, under the courageous leadership of the Hon. Claude Kitchin, who was then the majority leader and chairman of the Ways and Means Committee. He had the moral stamina to increase rates on parcel post in all the zones except the lower ones.

Mr. KELLY of Pennsylvania. No; the gentleman is mistaken. There was no increase at that time in parcel post. The increase was on second-class matter and the zone system was then established.

Mr. STAFFORD. I stand corrected. It was on second-class mail matter, and instead of applying the pound rate universally throughout the country they adopted and extended the parcel-post feature of zone charges to second-class mail.

Mr. MEAD. Mr. Chairman, I ask for the reading of the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That paragraph (a) of section 211 of Title II of an act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925 (43 Stat. 1069; U. S. C., title 39, sec. 245), as amended (U. S. C., Supp. V, title 39, sec. 245), is further amended to read as follows:

"Sec. 211. (a) The fee for insurance shall be 5 cents for indemnification not to exceed \$5; 10 cents for indemnification not to exceed \$25; 15 cents for indemnification not to exceed \$50; 25 cents for indemnification not to exceed \$100; 30 cents for indemnification not to exceed \$150; and 35 cents for indemnification not to exceed \$200. Whenever the sender of an insured article of mail matter shall so request, and upon payment of a fee of 3 cents at the time of mailing, or of 5 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail matter, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further,* That upon payment of the additional sum of 20 cents at the time of mailing by the sender of an insured article of mail matter, a receipt shall be obtained for such insured mail matter, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery:

Provided further, That no refund shall be made of fees paid for return receipts for registered or insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the Postal Service."

SEC. 2. That paragraph (b) of section 211 of Title II of an act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925 (U. S. C., title 39, sec. 246), is amended to read as follows:

"(b) The fee for collect-on-delivery service for domestic third and fourth class mail shall be 12 cents for collections and indemnity not to exceed \$5; 17 cents for collections and indemnity not to exceed \$25; 22 cents for collections and indemnity not to exceed \$50; 32 cents for collections and indemnity not to exceed \$100; 40 cents for collections and indemnity not to exceed \$150; and 45 cents for collections and indemnity not to exceed \$200."

SEC. 3. This act shall become effective April 1, 1932.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

I do this for the purpose of directing the attention of the Chairman and the members of the committee to the effective date that is provided in the bill. April 1 is only a few weeks ahead, and I question whether this bill will be enacted into law before that time. Would it not be better, in view of the fact that this bill may not be considered for perhaps a month or more in the other body, to have this measure go into effect July 1, 1932?

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. Mr. Chairman, I offer an amendment to strike out in line 16, page 3, the word "April" and insert in lieu thereof the word "July."

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 3, line 16, strike out the word "April" and insert in lieu thereof the word "July."

Mr. MEAD. Mr. Chairman, I accept the amendment.

The amendment was agreed to.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker pro tempore [Mr. BANKHEAD] having resumed the chair, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 10247) prescribing fees and corresponding indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes, and for other purposes, had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MEAD, a motion to reconsider the vote by which the bill was passed was laid on the table.

DOMESTIC REGISTERED MAIL

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 10244) fixing the fees and limits of indemnity for domestic registered mail based upon actual value and length of haul, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10244, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The bill is as follows:

Be it enacted, etc., That section 3926 of the Revised Statutes of the United States as amended by the act of February 27, 1897 (ch. 340, 29 Stat. L. 599), providing limited indemnity for loss of registered mail matter, and by the act of March 3, 1903 (32 Stat. L. 1174), fixing such indemnity at not exceeding \$100, and that portion of the act of March 4, 1911 (36 Stat. L. 1337), making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1912, and for other purposes, and providing indemnity for the loss of third and fourth class domestic registered matter, which laws were jointly amended by section 3 of the act of May 1, 1928 (45 Stat. L. 469; U. S. C., Supp. V, title 39, sec. 381a), are hereby further amended to read as follows:

"For the greater security of valuable mail matter the Postmaster General may establish a uniform system of registration, and as a part of such system he may provide rules under which the senders or owners of any registered matter shall be indemnified for loss, rifling, or damage thereof in the mails, the indemnity to be paid out of the postal revenues, but in no case to exceed \$1,000 for any one registered piece, or the actual value thereof when that is less than \$1,000, and for which no other compensation or reimbursement to the loser has been made: *Provided*, That the Postmaster General may in his discretion provide for the payment of indemnity for the actual value of registered mail or insured mail treated as registered mail in excess of \$1,000, but not in excess of \$10,000, when such mail is not insured with any commercial insurance company or other insuring agency and may fix the fees chargeable for the risks assumed ratably at the rates fixed up to \$1,000: *Provided further*, That the Postmaster General in his discretion may cause to be underwritten or reinsured in whole or in part with any commercial insurance companies any liability or risk assumed by the Post Office Department in connection with the mailing of any particular registered article or articles."

"SEC. 2. The full value of all registered mail or insured mail treated as registered mail shall be declared by the mailer at the time of mailing unless otherwise prescribed by the Postmaster General, and any claim for indemnity in any amount involving such mail, when the full value knowingly and willfully was not stated at the time of mailing, shall be invalid. All claims for indemnity involving registered mail, or insured mail treated as registered mail, or other insured mail, or collect-on-delivery mail, which is also insured with commercial insurance companies or other insuring agencies, shall be adjusted by the Post Office Department on a pro rata basis as a coinsurer with the commercial insurance companies or other insuring agencies."

SEC. 2. Section 3927 of the Revised Statutes of the United States, as amended by section 209 of the act of February 28, 1925 (43 Stat. L. 1068), and by the first section of the act of May 1, 1928 (45 Stat. L. 469; U. S. C., Supp. V, title 39, sec. 384), be, and the same is hereby, amended further to read as follows:

"Mail matter shall be registered on the application of the party posting the same. The registry fees, which are in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by law shall be as follows:

- "For registry indemnity not exceeding \$5, 15 cents;
- "For registry indemnity exceeding \$5 but not exceeding \$25, 18 cents;
- "For registry indemnity exceeding \$25 but not exceeding \$50, 20 cents;
- "For registry indemnity exceeding \$50 but not exceeding \$75, 25 cents;
- "For registry indemnity exceeding \$75 but not exceeding \$100, 30 cents;
- "For registry indemnity exceeding \$100 but not exceeding \$200, 40 cents;
- "For registry indemnity exceeding \$200 but not exceeding \$300, 50 cents;
- "For registry indemnity exceeding \$300 but not exceeding \$400, 60 cents;
- "For registry indemnity exceeding \$400 but not exceeding \$500, 70 cents;
- "For registry indemnity exceeding \$500 but not exceeding \$600, 80 cents;
- "For registry indemnity exceeding \$600 but not exceeding \$700, 85 cents;
- "For registry indemnity exceeding \$700 but not exceeding \$800, 90 cents;
- "For registry indemnity exceeding \$800 but not exceeding \$900, 95 cents; and
- "For registry indemnity exceeding \$900 but not exceeding \$1,000, \$1:

"*Provided*, That for registered mail or insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the registry fee paid there shall be charged additional fees, as follows: When the declared value exceeds the maximum indemnity covered by the registry fee paid by not more than \$50, 1 cent; by more than \$50 but not more than \$100, 2 cents; by more than \$100 but not more than \$200, 3 cents; by more than \$200 but not more than \$400, 4 cents; by more than \$400 but not more than \$600, 5 cents; by more than \$600 but not more than \$800, 6 cents; by more than \$800 but less than \$1,000, 7 cents; and if the excess of the declared value over the maximum indemnity covered by the registry fee paid is \$1,000 or more, the additional fees for each \$1,000 or part of \$1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows:

"For local delivery or for delivery within the first zone, 8 cents;
 "For delivery within the second zone, 9 cents;
 "For delivery within the third zone, 10 cents;
 "For delivery within the fourth zone, 11 cents;
 "For delivery within the fifth or sixth zones, 12 cents;
 "For delivery within the seventh or eighth zones, 13 cents.

"All such fees shall be accounted for in such manner as the Postmaster General shall direct. Mail matter upon the official business of the Post Office Department which requires registering shall be registered free of charge, and pass through the mails free of charge."

Sec. 3. The Postmaster General may make such rules and regulations in accordance with this act as he may consider necessary or advisable.

This act shall become effective April 1, 1932.

Mr. MEAD. Mr. Chairman, this bill fixes the fees and limit of indemnity for domestic registered mail, based upon actual value and length of haul, and creates an additional service by increasing the present maximum of \$1,000 to \$10,000. This increase in amount and rates is explained in the second and third pages of the report.

It is recommended by the department and the committee, and it is estimated that it will increase the receipts of the Post Office Department \$7,000,000. It is in keeping with our committee program of reducing the deficit and putting the Post Office Department on a more businesslike basis. The committee has conferred with the department and agreed upon the fees stated in the bill.

If any time is required on that side, I will yield to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY of Pennsylvania. Mr. Chairman, this bill is one which provides a new feature in addition to the change of rates. At present we have a limited registration, and in this bill we have added a provision which makes it possible for one to register an amount above \$1,000, and you will find included in it the rates provided in the bill which are believed to be sufficient to pay the cost of handling the extra amount.

In 1931 the department received from registered mail matter \$11,846,000, and the expenditure was \$20,214,000, which left a deficit of \$8,516,000. The increased rates of registered matter up to \$1,000 will bring in an additional revenue of \$2,000,000 per year. The cost of the service on amounts above \$1,000 will bring in \$5,000,000, according to the estimates of the department, which would mean that there would be an additional revenue of \$7,000,000.

The registry service, as Members know, originated in 1864. It has been changed from time to time, but has been growing greater each year. There have been losses, which the committee is trying to curtail. We are not endeavoring to curtail the entire amount of the loss, and there will be a slight loss in this service. I believe that these changes will add value to the Postal Service in its registration service.

Mr. STAFFORD. The new policy of registration is to be extended through the zone feature?

Mr. KELLY of Pennsylvania. That is true.

Mr. STAFFORD. Will the gentleman explain the reason of this operation of the registered mail by zones?

Mr. KELLY of Pennsylvania. As the gentleman says, this is a new feature, where we are attempting to handle sums of more than \$1,000. In the past we did not attempt to register sums over \$1,000, although the banks and others desire to transmit much larger sums through the mail. In the past they have had them insured by private organizations, which insured for a profitable rate. The post office transacted the business and the private companies collected the profit.

After a thorough hearing in the last Congress we have thought it safe for the Government to register these sums over \$1,000. The committee thought there should be a zone system where this mail goes a great distance, where they have transfer points, which would give a chance for desperadoes or bandits to take this money. We therefore thought that the zone system should be put into force. The last zone runs the rates up to 13 cents above the regular charge.

Mr. STAFFORD. Will the gentleman direct me to that part of the bill which authorizes the Government to carry amounts in registered mail in excess of \$1,000?

Mr. KELLY of Pennsylvania. I refer the gentleman to the proviso on page 5—

That for registered mail or insured mail received as registered mail having a declared value in excess of the maximum indemnity—

Which is \$1,000—

covered by the registry fee paid, there shall be charged additional fees as follows—

And so forth.

Mr. TILSON. Mr. Chairman, on page 2, in lines 20 and 21, we find reference to—

Mail treated as registered mail in excess of \$1,000, but not in excess of \$10,000.

This is the provision the gentleman from Wisconsin refers to, I think.

Mr. KELLY of Pennsylvania. That is true; and the rates are in the proviso that I referred to.

Mr. TILSON. The provision permitting it is on page 2.

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. Mr. Chairman, I ask for recognition in opposition to the bill.

The CHAIRMAN. The gentleman from Wisconsin is recognized for an hour.

Mr. STAFFORD. Mr. Chairman, if this bill merely increased the rates of the amount of registered mail that the Government is now authorized to carry, I would not rise at this time in opposition to any part of the bill, but for a long time I have thought it is a mistake for our Government, through the Postal Service, to undertake to carry through the mails vast sums of money. I well recall many years ago when Mr. Burleson, later Postmaster General, then a Member of the House, offered an amendment upon the floor which permitted the Postal Service to carry large sums of money through the mails. At that time we were providing in the sundry civil appropriation bill some \$200,000 for the carriage of Government funds by private agencies. The amendment was to authorize those large funds to be carried through the mails. Now it is proposed to go one step farther in this paternalism of the Government in competition with private enterprise, particularly where vast sums of money are involved, and have the Government carry these funds through the registry system.

From my observation of the operation of the two agencies carrying funds, by express companies and by registered mail, I have thought that the private agencies are far better prepared to safeguard the conveyance of large sums of money than is the Postal Service. We have in recent times suffered tremendous losses by holdups of registered mail. One comes to my mind in the operation of a mail train on the Milwaukee Road leaving Chicago for St. Paul about midnight, which was held up at Roundout, about 20 miles from Chicago. It cost the Government many thousands of dollars.

Mr. KELLY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. KELLY of Pennsylvania. One of the difficulties we were faced with was the practice now of sending these huge sums of money through the mails, registering them up to \$1,000, and then getting a private insurance or indemnity company to handle the insurance on the amount above \$1,000, which put the expense and danger on the Post Office Department without any of the revenue.

Mr. STAFFORD. I do not exactly follow the position of the gentleman. In case of loss, who would receive the benefit or indemnity?

Mr. KELLY of Pennsylvania. I am making the point that we take all of the danger of handling these great sums of money which are insured by private companies. Of course, if a loss is incurred the private company has to stand the loss, but the danger to the employees and the service comes through those vast sums of money being carried as they are now.

Mr. STAFFORD. I understood that under existing law the Postal Service could carry amounts only up to \$1,000.

Mr. KELLY of Pennsylvania. In registration; yes. But sometimes millions of dollars are carried through the mails and the amount above \$1,000 is insured by private companies.

Mr. STAFFORD. But the Government does not stand sponsor for safe delivery of those million dollars.

Mr. KELLY of Pennsylvania. No.

Mr. STAFFORD. The risk is upon the private insurance company or the private bank.

Mr. KELLY of Pennsylvania. The gentleman was making the point about the danger of money in the mails.

Mr. STAFFORD. Yes.

Mr. KELLY of Pennsylvania. The money is in the mails now.

Mr. STAFFORD. But the Government is not responsible for the safe carriage, except for \$1,000.

Mr. KELLY of Pennsylvania. That is true.

Mr. STAFFORD. Now, you are making the Government the insurer. Of course, if I had a million dollars I might send it through the mails if I wanted to, but I would have to take the loss or secure other means of indemnity in case of loss. You are now making the Government the indemnifying agent. This is one of the bills where the report was made at midnight under special order made late yesterday afternoon.

Mr. KELLY of Pennsylvania. If the gentleman will permit, we have had this bill under hearing for the last three years and have thoroughly gone into it. We have tried to safeguard it by providing that the Post Office Department may reinsure if it believes it wise to do so, and the gentleman will find that provision on page 3 at the top of the page, so that we are not taking any undue risk in this matter, and will get some of the returns now going to private companies who insure the money.

Mr. STAFFORD. This is one of the bills where Members did not have a report upon it available until this morning. It is my practice to have all bills and the reports so that I may scan them before they are brought up for consideration. Nevertheless, I believe that we are launching on a very dangerous policy when the Government becomes the guarantor of millions and millions of dollars that may be carried in the mails.

The Government is not as well qualified to safeguard the carriage of great amounts of money as is a private agency, and in the nature of things it can not safeguard the carriage of these huge deposits as well as a private agency.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. KELLY of Pennsylvania. We are using every possible safeguard.

Mr. STAFFORD. There is nothing in this bill that compels the Government to take out indemnity insurance for these tremendous amounts of money that will be transported in the mail and for which the Government will be liable. It rests entirely upon the discretion of the Postmaster General, and if he is socialistically inclined he will not call upon a private insurance company to guarantee the payment of any money that may be lost.

I venture this assertion—and this is merely an assertion: That as between the rates to be charged by a private surety company for the transportation of money by a private agency, such as an express company, and that by Postal Service, the rates will be much higher for the transportation of money in the mails than by a private agency. I lay that down as a postulate, based upon my observation of the care with which money is transported by express companies and the way registered mail matter, not known to the persons guarding it, is transported by the Postal Service now.

Mr. COYLE. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. COYLE. Is it the point of view of the gentleman that the express companies covered all points where this service would be called for?

Mr. STAFFORD. Mostly. Until the Government went into the business of competing with private agencies, private agencies reached almost every available place in the country, but when the Government went into the business of

carrying merchandise and carrying large funds of money, that of itself drove the private agencies out of business, and at whose expense? At the expense of the taxpayers of the country, because ever since the Parcel Post Service was adopted it has been operated at a loss. The mail has been carried at a great loss, and for the benefit of whom? The users, the department stores, at the expense of the taxpayers.

Now we are attempting to balance the Budget. Why do we not attempt to balance the Postal Service?

Mr. COYLE. Will the gentleman yield further?

Mr. STAFFORD. I yield.

Mr. COYLE. I am seriously interested in the gentleman's point of view, because I happen to know of some instances where the express service for this class of transportation was canceled and shortly thereafter the mail service endeavored to cancel their rates for exactly the same transportation. I do not like particularly to mention the point, because I do not want to give it undue publicity but is it the gentleman's opinion that if the express company does not serve any large community, the Post Office Department, with its general monopoly, should serve that community?

Mr. STAFFORD. I am protesting here and now against the Government indemnifying the banks of the country for the transportation of millions and millions of dollars through the mail, as the surety of those companies, rather than forcing the banks to go to a private surety company for their own indemnification. I do not want the Government to go into this business of indemnification; and, if I had my way, I would oppose it, just as I opposed it when Mr. Burleson, the gentleman from Texas, advocated the socialistic proposal that, because we were operating an agency for the transportation of first, second, third, and fourth class matter, we should then and there transport the money of the Government from New York to Philadelphia and other places. That was the entering wedge to this socialistic venture. Now, we have its full fruition of having the Government go into the insurance business.

The gentleman from Pennsylvania [Mr. KELLY] says we do to-day transport these huge amounts of money, and we only stand sponsor to the extent of \$1,000. I say that we should not go beyond that \$1,000 but should throw it upon the banks to look to their sureties for their indemnification.

Mr. COYLE. I agree very closely with what the gentleman says.

Mr. STAFFORD. The gentleman being from Pennsylvania and being a Republican could not aught do else, and those from Pennsylvania are Republicans.

Mr. COYLE. I would like to ask the gentleman this further question: The gentleman would not think that the Post Office Department ought to entirely cancel its transportation to any point that could not otherwise be served, whether it is the transportation of money or ordinary matter?

Mr. STAFFORD. Oh, no. It is not attempted to check or dwarf the present facilities. Even before the Government proceeded upon indemnifying any person or the Government itself for the transportation of Government funds by mail, any third party using the mail could, if he wished, take the risk of sending money in an envelope. We tried to educate the public that there is risk in connection with that and they should buy money orders. Now, we are taking the position that they should utilize the registry service to the extent of millions and millions of dollars, and the Government, for a fee, should indemnify them. The essence of this is whether the Government should go into the insurance business.

Mr. KENDALL. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. KENDALL. The Government indemnity applies only up to \$10,000; not into millions and millions, as the gentleman says.

Mr. STAFFORD. Well, only \$10,000; but at one time it was only \$1,000. A bank, instead of sending one hundred \$1,000 bills in one package, can send 10 packages containing \$10,000 each, and the Government be obligated as indemnitor

to the extent of \$100,000. The banks will easily get around that. The question is whether we should go into the insurance business of indemnifying private agencies for the hazard of sending large sums of money through the mails. I say that the postal agency is not as well suited for safeguarding the carriage of large sums of money in the mail as the express companies are.

I regret that last night I gave consent to having the committee present reports up to midnight. It does not give the Members of this House an opportunity to study the bills. I understood the gentleman to say they were only minor bills. This is a bill of great essential consequence. I was busy in a special committee framing Muscle Shoals legislation this morning, and I do not have time on the floor to prepare the necessary amendments that I think are worthy to safeguard the interests of the Government. It is an instance showing we should be wary of granting leave to committees to file reports up to midnight so that the Members can not have an opportunity to study the bills thoroughly.

Mr. Chairman, I reserve the balance of my time.

Mr. MEAD. Mr. Chairman, the committee asked unanimous consent to file reports after the adjournment of the House because of the fact that we were filing a number of reports during the afternoon, and it was thought we might not be able to file them all before adjournment. Our committee filed the last two reports just a few minutes after adjournment.

This bill has been considered by our committee for several years. It is recommended by the Postmaster General in his last annual report. That recommendation can be found on pages 7 and 49 of his report.

It is a service we are already giving the country. This bill merely extends it; we are in a better position to serve every section of the country than any other agency.

Our committee is endeavoring to balance the postal budget. We are trying to do just what the gentleman from Wisconsin stated he is trying to do.

This bill permits slight increases in rates up to \$1,000. It then gives a new service and adds new rates up to \$10,000. It will raise \$3,000,000 in revenue for the department.

The department, as I said before, is in a position to take care of this added work and serve the country better than any other agency. As the gentleman from Pennsylvania said, the department is now authorized to reinsure. We are not depriving insurance companies of business.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. KELLY of Pennsylvania. Is it not also true that the danger at the present time comes because of the fact that we are carrying more than \$1,000? For instance, there are shipments now being made of \$1,000,000 in postal mail bags, and the fact that that large amount of money is carried puts an additional danger on the \$1,000 which we now indemnify.

Mr. MEAD. The gentleman is correct. Mr. Chairman, I ask that the Clerk read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 3926 of the Revised Statutes of the United States as amended by the act of February 27, 1897 (ch. 340, 29 Stat. L. 599), providing limited indemnity for loss of registered mail matter, and by the act of March 3, 1903 (32 Stat. L. 1174), fixing such indemnity at not exceeding \$100, and that portion of the act of March 4, 1911 (36 Stat. L. 1337), making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1912, and for other purposes, and providing indemnity for the loss of third and fourth class domestic registered matter, which laws were jointly amended by section 3 of the act of May 1, 1928 (45 Stat. L. 469; U. S. C., Supp. V, title 39, sec. 381a), are hereby further amended to read as follows:

"For the greater security of valuable mail matter the Postmaster General may establish a uniform system of registration, and as a part of such system he may provide rules under which the senders or owners of any registered matter shall be indemnified for loss, rifling, or damage thereof in the mails, the indemnity to be paid out of the postal revenues, but in no case to exceed \$1,000 for any one registered piece, or the actual value thereof when that is less than \$1,000, and for which no other compensation or reimbursement to the loser has been made; Provided, That the Postmaster General may in his discretion provide for the payment of indemnity for the actual value of registered mail or insured mail treated as registered mail in excess of

\$1,000, but not in excess of \$10,000, when such mail is not insured with any commercial insurance company or other insuring agency, and may fix the fees chargeable for the risks assumed ratably at the rates fixed up to \$1,000; Provided further, That the Postmaster General in his discretion may cause to be underwritten or reinsured in whole or in part with any commercial insurance companies any liability or risk assumed by the Post Office Department in connection with the mailing of any particular registered article or articles.

"Sec. 2. The full value of all registered mail or insured mail treated as registered mail shall be declared by the mailer at the time of mailing unless otherwise prescribed by the Postmaster General, and any claim for indemnity in any amount involving such mail, when the full value knowingly and willfully was not stated at the time of mailing, shall be invalid. All claims for indemnity involving registered mail, or insured mail treated as registered mail, or other insured mail, or collect-on-delivery mail, which is also insured with commercial insurance companies or other insuring agencies, shall be adjusted by the Post Office Department on a pro rata basis as a coinsurer with the commercial insurance companies or other insuring agencies."

Mr. STAFFORD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: On page 2, line 17, after the word "made," strike out the proviso ending with the figures "\$1,000" in line 24, which reads as follows:

"Provided, That the Postmaster General may in his discretion provide for the payment of indemnity for the actual value of registered mail or insured mail treated as registered mail in excess of \$1,000, but not in excess of \$10,000, when such mail is not insured with any commercial insurance company or other insuring agency and may fix the fees chargeable for the risks assumed ratably at the rates fixed up to \$1,000."

Mr. STAFFORD. Mr. Chairman, the striking out of this proviso will leave the operation of the Postal Service as is, other than that higher rates of indemnity will be charged.

This proviso, as you will notice, would authorize the Post Office Department to carry sums in excess of \$10,000 in the event that the Postmaster General, through any commercial insurance agency, would insure those amounts.

I do not want by direction or circumvention to allow the Post Office Department to be held responsible for the carrying of amounts in excess of \$1,000, certainly not to the extent of \$10,000, for which no indemnity is required, certainly not to the extent of \$10,000, and being repeated ad infinitum, which would probably run into hundreds of thousands of dollars.

I think it is a most serious innovation to have the Government, under the guise of increasing the revenues, go into the insurance business. That is what this provision means.

The argument is made by the gentleman from Pennsylvania and the gentleman from New York that banks to-day use the service for the transportation of huge sums of money. Granting that they do use this convenience, nevertheless they must go to a private surety for indemnity. However, under this bill you are permitting the Postmaster General to carry amounts up to \$10,000 without securing any indemnity.

I know just as sure as I am here that we are going to be confronted time after time with heavy losses if this insurance feature is adopted as a policy of the Postal Service.

It is acknowledged that this service is not self-sustaining. Why should we invade the province of private industry to that extent, and which will make it less sustaining under the guise that you are going to authorize the Government to charge a fee for the indemnification?

This is socialism. It is paternalism. We have seen the effects of this proposal. It was made 25 years ago, or thereabouts, by Mr. Albert S. Burleson, when he was a Member of this House. It was tainted in a slight degree—I will use that qualifying clause because he is not present, though I am glad to say he is still alive and enjoying good health—it was tainted to a slight degree with the socialistic proposal that because the United States Government was operating a Postal Service it ought to permit funds to be transported by the Postal Service, whether that service was suited to that purpose or not. It was not suited to it then, and while it may be suited in a degree to carry on such a service now, it can never qualify to carry on such service with the same protection as is given by a private agency.

Mr. KELLY of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment. The gentleman from Wisconsin has offered an amendment striking out the service which the Post Office Committee, after complete deliberation, believes to be worthy on several grounds.

It certainly can not be more socialistic to insure up to \$10,000 than it is to insure up to \$1,000. If any principle of that kind is involved, it applies to a service which has been in existence since 1864 and has been growing more and more valuable every year.

The second point is that we take all the chances. We have all the dangers now in handling these large sums of money that are being sent through the mail without any of the advantages whatever which come from the returns that may be received from it.

The gentleman from Wisconsin refers to the fact that we must turn the post-office machinery loose if we pass this bill. We must do that now. With an indemnity up to \$1,000, when a package of registered mail is stolen, this brings into force every agency of the department. The inspection force must scour the country for years, if necessary, to run down the depredators who take money from the mails.

This will not add one additional cent of that kind of expense to the Government in raising the limit to \$10,000. What it will do will be to give us a proper rate on the increase from \$1,000 to \$10,000.

The Post Office Department has figured that this one provision which the gentleman seeks to strike out will mean \$5,000,000 in clear, additional revenue.

Mr. STAFFORD. Will the gentleman yield?

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. How much loss will ultimately come to the Government of the United States?

Mr. KELLY of Pennsylvania. That is included in the calculation of the \$5,000,000. The amounts paid out as indemnities on registered mail for 50 years have been considered as to the possible cost of the new registration. It is uncertain, of course, whether raising the limit from \$1,000 to \$10,000 will multiply the losses; but if on a regular basis there are no more losses up to \$10,000 than there have been proportionately on \$1,000, there will be a clear gain of \$5,000,000.

Your committee feels this is well worth the consideration of the Congress with respect to a service that is now losing money. We should establish such rates and such new accommodations for the public as will bring in a total under this bill of \$7,000,000, which will very largely reduce the deficit in the registered mail special service.

We believe this is justified. Hearings have been held on the bill. We have listened to representations from various interests and have finally brought out this bill for due consideration. I hope the amendment of the gentleman from Wisconsin will not be adopted because it would completely destroy this new accommodation that we desire to give the public.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. STAFFORD].

The amendment was rejected.

The Clerk read as follows:

SEC. 3. The Postmaster General may make such rules and regulations in accordance with this act as he may consider necessary or advisable.

This act shall become effective April 1, 1932.

Mr. COYLE. Mr. Chairman, I move to strike out the last word.

I do this, Mr. Chairman, for the purpose of calling the attention of the committee to the fact that the Post Office Department, through its inspectors, has done within the last few days a very fine job. We all think that the Northwestern Mounted police of Canada is a particularly fine body of men, because their boast is that they always get their man. I want to say that the Post Office Department, according to the papers yesterday, proved that they, too, are a body that we can be proud of. Their boast is that they always get the man that interrupts or breaks down the mail service, and yesterday they did get the man who apparently was respon-

sible for the bomb outrages in the Easton post office in my district on December 30, last and I think this is worthy of note, when the Post Office Department itself is under some criticism as not being a safe custodian of the mails.

Mr. GOSS. Mr. Chairman, I would like to ask a question in connection with the rates proposed here. I would like to ask if this is a case of the camel getting his nose under the tent in connection with first-class mail rates and whether there are going to be any increases in that feature of the service.

Mr. MEAD. No; on the other hand, this is an effort on the part of the committee to avert any increase in first-class rates.

Mr. GOSS. Then any such increases will be confined to special items of registered mail and so on?

Mr. MEAD. Yes; the committee has made a definite decision on that question.

Mr. GOSS. That is what I wanted to know.

Mr. STAFFORD. Mr. Chairman, I wish to suggest to the chairman of the committee the advisability of postponing the effective date of this enactment to July 1, as we did in the other bill.

Mr. MEAD. Mr. Chairman, I shall accept such an amendment.

Mr. STAFFORD. Mr. Chairman, I offer the following amendment: Line 17, page 6, strike out the word "April" and insert "July."

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 6, line 17, strike out the word "April" and insert the word "July."

The amendment was agreed to.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. BANKHEAD having taken the chair as Speaker pro tempore, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10244) fixing the fees and limits of indemnity for domestic registered mail, based upon actual value and length of haul, and for other purposes, and had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MEAD, a motion to reconsider the vote whereby the bill was passed was laid on the table.

TO CURE THE PRACTICE OF DEPOSITING MATTER IN LETTER BOXES WITHOUT THE PAYMENT OF POSTAGE

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 9262) to amend section 321 of title 18 of the United States Code.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 321 of title 18 of the United States Code be, and the same is hereby, amended to read as follows:

"Whoever shall willfully or maliciously injure, tear down, or destroy any letter box or other receptacle intended or used for the receipt or delivery of mail on any mail route, or shall break open the same, or shall willfully or maliciously injure, deface, or destroy any mail deposited therein, or shall willfully take or steal such mail from or out of such letter box or other receptacle; or shall knowingly, willfully, or feloniously deposit any mailable matter such as statements of account, circulars, sale bills, or other like matter, on which no postage has been paid, in any letter box or other receptacle established, approved, or accepted by the Postmaster General for the receipt or delivery of mail matter on any mail route, with intent to avoid payment of lawful postage thereon; or shall willfully aid or assist in any of the aforementioned offenses, shall for every such offense be punished by a fine of not more than \$1,000 or by imprisonment for not more than three years."

With the following committee amendments:

In line 3, page 1, strike out "section 321 of title 18 of the United States Code" and insert in lieu thereof "section 198 of

the act entitled 'An act to codify, revise, and amend the penal laws of the United States,' approved March 4, 1909, as amended by the acts of May 18, 1916, and July 28, 1916 (U. S. C., title 18, sec. 321)."

Strike out "or other receptacle" wherever it appears in the bill; strike out "or" at the end of line 11, page 1, and "feloniously" at the beginning of line 1, page 2, and insert "or" between "knowingly" and "willfully" in line 11, page 1; strike out "\$1,000" and insert in lieu thereof "\$300" in line 9, page 2, and strike out "or by imprisonment for not more than three years" in lines 9 and 10 on page 2.

Amend title so as to read:

"To amend section 198 of the act entitled 'An act to codify, revise, and amend the penal laws of the United States,' approved March 4, 1909, as amended by the acts of May 18, 1916, and July 28, 1916."

Mr. STAFFORD. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. STAFFORD. Will the gentleman explain just what is sought to be done by the proposed amendment?

Mr. MEAD. Let me read what the Postmaster General says. I am quoting a paragraph from a letter regarding this measure:

The purpose of this bill is to curb the practice of depositing statements of account and circulars, sale bills, etc., in letter boxes or other receptacles established for the receipt or delivery of mail, without the payment of postage thereon, by making this a criminal offense. Much matter of this kind is, of course, now deposited in private mail boxes, thus depriving the Postal Service of considerable revenue which it would receive if the matter was sent through the mails.

Our committee decided to reduce the penalty in the original bill from \$1,000 to \$300 and to eliminate the provision for imprisonment altogether. So the extent of the penalty now is a fine of not more than \$300. The practice of public-utility companies and others, who have withdrawn a very profitable business from the Postal Service, is to make deliveries by messenger service. We believe if they withdraw this business from the Post Office Department they should refrain from using the mail boxes. The withdrawal of this mail has reduced our revenues about \$4,000,000 a year.

We have sufficient law now to prevent that practice on rural routes, and we aim to apply the law to city mail boxes.

Mr. STAFFORD. The gentleman states it was the desire to discontinue the practice of depositing mailable matter in other receptacles in the country and city. I believe the gentleman is in error, because the committee does not go to the extent of the Postmaster General's recommendation, in that he suggested that they provide not only for letter boxes but other receptacles. The committee has stricken out "other receptacles."

Mr. MEAD. We struck that language out because we felt we were going too far in enacting legislation which would prevent an individual from dropping a circular or a bill in a slot in the door or in some receptacle not used exclusively as a mail box.

We felt that if the bill covered a mail box erected for the purpose of receiving mail we were going as far as we could in this connection, and so the committee struck out the language "or other receptacle," and we also struck out the language "knowingly, willfully, or feloniously."

Mr. STAFFORD. And substituted "knowingly or willfully."

Mr. MEAD. Yes; that is correct.

Mr. STAFFORD. I wish to get a clear concept of the gentleman's intendment of this legislation. It is the practice in the country local to Milwaukee and local to Detroit, and local, I should say, to most of our metropolitan centers, for the newspaper publishers to provide a separate receptacle for the delivery by their agent of their newspapers in these boxes. Certainly the gentleman does not intend to ban the delivery of those newspapers in boxes furnished by them?

Mr. MEAD. Not at all. The newspapers are setting up their own receptacles; they are not using the mail boxes along rural routes. We want the public-utility companies to take care of their bills without using the mail boxes in the cities.

Mr. STAFFORD. There is nothing here that will prevent any private agency from distributing mailable matter direct to the home or in a private receptacle that was erected by

the patron, provided that receptacle is not used for the receipt of mailable matter. Many of our rural delivery route boxes are provided by—in fact, all cases—and erected by the patron himself.

Mr. MEAD. The gentleman is correct.

Mr. STAFFORD. But that box could not be used for the deposit of any other character of matter. If the patron wanted to have the deposit of other character of matter, he would have to erect a separate box, which would not be used for mailable purposes.

Mr. MEAD. That is right.

Mr. BLANTON. Mr. Speaker, I ask recognition on the amendment. I am wondering if the gentleman from New York [Mr. MEAD], who is chairman of the committee, would be willing to permit an amendment so as to add the word "commercial" before the word "circular," so that it would apply only to commercial circulars. There are some circulars that it is to the interest of the patrons of the Post Office to receive, which are matters of interest in a local community. For instance, there are thousands of communities where notices out in the country to the effect that a church sociable is going to be held or that there is to be singing on Sunday afternoon are put in the mail boxes. This ought not to apply to things of that kind, and it ought to be limited to commercial circulars.

Mr. MEAD. If the gentleman will yield for a moment, permit me to say it is now contrary to law to deposit such circulars as the gentleman has in mind in letter boxes on a rural route.

Mr. BLANTON. That is exactly what I am complaining about, and I am hoping the gentleman from New York in his great experience and wisdom would see fit to stop it from being a violation of the law, because it is to the interest of all the owners of these boxes to receive these little community notices. Of course it is done in spite of the law, but it ought not to be a violation. They ought to have the right to put a little community notice in the box, and if the gentleman would limit this to commercial circulars he would carry out the purpose of the committee and the purpose of the Post Office Department, and still give these people the right to use their mail boxes for little notices that benefit the entire community.

Mr. MEAD. The gentleman will see that the effort being made by the committee is in another direction altogether. We are not in this bill concerned with the law that applies to mail boxes on rural routes. We are trying to apply the law that now applies to rural mail boxes apply to city letter boxes.

Mr. BLANTON. What time is a better time than right now to rectify this little injustice to the rural people? Is there any better time than now? I take it that the gentleman has never lived in a rural community.

Mr. MEAD. That is where I live some of the time.

Mr. BLANTON. Then he realizes the problems that beset the rural people. Some of them get their mail only twice a week, people who live away off in the mountains, and it is unfair to say to them that when they have a notice of high importance to the community, it can not be placed in the boxes. Suppose they were getting up a dance for the young people in the community. That is the only way they have to get word about it. They run around the circuit and put the notices in the boxes. Every time they do it they violate the law, but they do it just the same. We ought to stop it from being a violation of the law.

Mr. MEAD. At such time when the committee takes up the matter of revising the law as it applies to rural mail boxes, I shall be glad to consider the gentleman's amendment, but we are considering now only the application of the law to city mail boxes, and that is the only idea conveyed in the bill.

Mr. BLANTON. Does not the gentleman realize that such an amendment is a good one?

Mr. MEAD. Except that it would in my judgment conflict with the purpose of this bill which applies only to city mail boxes.

Mr. BLANTON. Does this restrict the entire legislation to city letter boxes?

Mr. MEAD. Yes; it does.

Mr. BLANTON. It has no application to rural boxes?

Mr. MEAD. None whatever.

Mr. SEGER. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. SEGER. I am in sympathy with the general purpose of the bill, but does the gentleman mean that this would apply to boxes erected inside the vestibule of apartment houses?

Mr. MEAD. Any mail box that is designated for receiving mail matter. We eliminated some of the language in the bill so that it would not apply to slots in doors and various other contrivances; we apply the law that exists in rural communities to city mail boxes, boxes set up by the patron for the receipt of mail matter only.

Mr. SEGER. On the porch or in an apartment house?

Mr. MEAD. Wherever the city letter carrier delivers mail to the patron, whether in the hallway or on the veranda, as long as it is a mail box.

Mr. SEGER. Is that not a broad interpretation? Suppose I was going to visit a friend and he was not home and I left a note in his letter box, would I be punishable under this law?

Mr. MEAD. Well, as the gentleman from Texas said, they now deposit circulars in the local letter boxes and they are not interfered with; but where some large corporation withdraws a volume of mail from the Post Office Department and sets up a service of its own, we restrict the use of the mail receptacles to mail matter handled by the Post Office Department.

Mr. SEGER. I can see where there would be considerable revenue taken from the Post Office Department, but I think the bill is so broad that it would take in the receptacles in every apartment house in a city.

Mr. MEAD. On line 5, page 2, of the bill the gentleman will find we struck out the language "or other receptacle," and narrowed it down to apply to mail boxes only.

Mr. BOYLAN. Will the gentleman yield?

Mr. MEAD. Yes; I yield to my distinguished colleague.

Mr. BOYLAN. Does the gentleman not believe that the penalty is excessive? The idea of penalizing a person to the extent of \$300, to my mind, would be entirely unjust because it is too severe. If that penalty were reduced to about \$3 it would be more in keeping.

Mr. MEAD. The original penalty provided in the bill was that every such offense should be punished by a fine of not more than \$1,000 or by imprisonment for not more than three years. The committee struck out that language and inserted in lieu thereof a fine of \$300 and no imprisonment.

Mr. BOYLAN. That is true, but the original proposition would be atrocious. The idea of fining a man a thousand dollars or sending him to jail for three years, although at the present time many people would be better off in jail on account of the depression, seems absurd to me. The gentleman knows that the Federal jails are woefully overcrowded now, due to the enforcement of the prohibition act, and we can not build jails fast enough. Even with a penalty of \$300, suppose a man is not able to pay the \$300, then he must go to jail, must he not?

Mr. MEAD. No. He probably would be warned not to use the mail boxes hereafter. I have never heard of anyone going to jail for a trivial matter as the gentleman has in mind. We have reduced the fine to a minimum. I understand existing law with regard to rural mail boxes is much more severe, but the committee, moved by the same humanitarian spirit as that which moves the gentleman from New York, reduced it to what they believed a reasonable minimum.

Mr. BOYLAN. Well, just imagine where would a man get \$300 in these days of depression? If he did not pay the \$300, perhaps he would be committed to jail. The jails are now overcrowded.

Mr. MEAD. I agree with my colleague; they are crowded, but with the amendment which we have adopted no one can be sent to jail. I for one objected to such a

provision. Nor will it be necessary to levy a fine of \$300, for the bill states that not more than \$300, which will permit of a fine from \$1 up.

Mr. BOYLAN. Then I suggest that the penalty be reduced from \$300 to \$3 for each offense. Will the gentleman accept such an amendment?

Mr. MEAD. I am afraid I could not at this time, because we are aiming to curb a very bad practice, a practice that has withdrawn \$4,000,000 from the revenue of the Post Office Department. I feel sure there will be no injury caused to any constituent of the gentleman from New York for depositing a card in a mail box, but it may prevent large companies from taking business away from the Post Office Department.

Mr. BOYLAN. But, knowing the gentleman as I do, and knowing his wonderful humanity and generosity of spirit, I feel that his zeal in securing additional revenue for the Government has carried him away from his first principles. Just imagine mulcting a man or a woman to the extent of \$300 in these hard times for a simple misdemeanor of this kind.

Mr. MEAD. I doubt whether that would be applicable in this case, and I for one would resent it.

The SPEAKER pro tempore. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the remaining committee amendments.

The Clerk reported the remaining committee amendments.

Mr. KELLY of Pennsylvania. Mr. Speaker, I move to strike out the last word for the purpose of adding to the statement made by the chairman of the committee and to reassure my friend the gentleman from New York [Mr. BOYLAN] that the law has had much heavier penalties than this bill carries for many years, and it has worked out in practice in this way: The department has a regulation that where this mail matter is put into a rural box covered by law, it is carried back to the post office and is there rated up, as if it were sent by mail, and the mailer notified. Without doubt these bills of the public utility companies, and so forth, will be taken back to the office by the carrier and rated up and the company notified and the postage will be paid on them.

The SPEAKER pro tempore. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. MEAD. Mr. Speaker, I move the previous question on the bill to final passage.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion by Mr. MEAD, a motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended to read as follows: "A bill to amend section 198 of the act entitled 'An act to codify, revise, and amend the penal laws of the United States,' approved March 4, 1909, as amended by the acts of May 18, 1916, and July 28, 1916."

LEAVES OF ABSENCE TO SUBSTITUTES IN THE POSTAL SERVICE

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 4719) granting leaves of absence with pay to substitutes in the Postal Service.

The SPEAKER pro tempore. The gentleman from New York calls up a bill, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4719) granting leaves of absence with pay to substitutes in the Postal Service, with Mr. GLOVER in the chair.

The Clerk read the bill, as follows:

Be it enacted, etc., That hereafter, when substitute postal employees have worked a total of 1,224 hours, they shall be entitled throughout their period of substitution in each fiscal year to leave with pay at the rate of one and one-quarter days for each

204 hours' service rendered and sick leave with pay at the rate of five days for each 1,224 hours' service, to be cumulative throughout period of substitution and continued, if not used, to the credit of the substitute after his appointment to the regular force.

Mr. MEAD. Mr. Chairman, in explanation of this bill I will say it was reported by our Committee on the Post Office and Post Roads at the last session. It passed the House without objection but failed of being reached on the Senate calendar.

It grants substitutes in the Postal Service sick leave and vacation-time allowance provided they are employed six months or more in any one year.

For the last two or three years, as a result of the falling volume of business in the Post Office Department, substitutes are not as a rule receiving six months' employment, and therefore the bill would not apply to many cases. We therefore estimate that the cost would be negligible compared to normal years, but it would give the substitutes the same rights now enjoyed by the regulars in the service; they would be considered regular civil-service employees.

When the Second Assistant Postmaster General came before our committee he was asked if the substitutes in the Postal Service were not in reality regular employees, and in reply to that question he said, "If they are not regular employees, you tell me what they are."

This bill aims to give to the substitutes in the service some consideration for the many times they report for work. They are always ready to take the place of a regular in order to keep the mail moving. They render a valuable service and many, many times they are forced to return to their homes without putting in any time, only to report again the next day.

This bill will affect those substitutes who work at least six months out of every year, and will give them proportionate consideration in connection with sick leave and vacation allowance.

As I said before, the bill was reported out in the last Congress; it passed the House but failed to be reached on the calendar of the Senate. I hope it will be approved at this time.

Mr. STAFFORD. Will the gentleman yield?

Mr. MEAD. Yes. I yield.

Mr. STAFFORD. I notice from the letter of the Postmaster General, a very brief letter, that he estimates, if this bill is passed, there will be an added burden on the Treasury of \$1,894,723 a year. I assume that is predicated upon the operation of this law under normal conditions.

Mr. MEAD. The gentleman is correct. The gentleman realizes that under present conditions, except in rare cases, only regulars in the department are employed, and our committee believes the estimate of the Postmaster General is excessive and applies, as the gentleman has indicated, only in normal years.

Mr. STAFFORD. Has the gentleman any estimate as to what expense would be entailed if it were put into operation at once under existing conditions?

Mr. MEAD. Our committee estimated that it might reach a maximum of \$600,000, but that is a mere conjecture, because, as I said before, most of these substitutes are doing nothing but reporting night and morning and receive very little employment in most cases.

Mr. Chairman, I yield five minutes to the gentleman from Indiana [Mr. Mogg].

Mr. HOGG of Indiana. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein a short petition from the postal employees of the Indianapolis, Ind., post office.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HOGG of Indiana. Mr. Chairman, I call the attention of the House to some facts in connection with the substitute employment question in the Postal Service.

Many substitutes are now regularly employed at lower pay rates than the regulars receive and pending legislation is designed to require their appointment. My hope is it will

be liberally construed to bring the greatest possible relief to the substitutes.

Owing to the variations in mail fluctuations and work requirements, it is necessary to have a flexible working force—one that can be expanded or contracted to meet actual work needs. For this reason the Post Office Department employs substitutes, taking them from the civil-service eligible lists when needed. The existing ratio is one substitute clerk for every seven regular clerks and one substitute carrier for every four regular city letter carriers. The substitutes are paid at the rate of 65 cents per hour. Their period of substitution is not definitely fixed, which I believe is a mistaken policy.

Substitutes should be assured of a minimum number of hours of work weekly. I have fixed this minimum at 30 hours in a bill I have introduced—H. R. 5110. At 65 cents an hour this would mean only a weekly minimum of \$19.50. Obviously this amount, even as a minimum, is far too low to attract the type of worker needed in our Postal Service.

My hope is the minimum in my bill will be exceeded at least to the extent of 15 hours—or 45 hours' work for substitutes each week. Further, there should be a definite limit placed on the length of substitute service, not to exceed two years.

The Post Office Department can within a reasonable time establish a satisfactory substitute force that could be kept at a numerical level to permit of appointments within two years, and in the meantime the substitutes could be guaranteed 30 hours' work weekly. This may necessitate a larger auxiliary or temporary force during rush periods, but such an arrangement would be far more satisfactory than the present one. In most communities there is an ample supply of labor that could be utilized for short periods on brief notice when required in the post offices. Such workers, as now, would have no civil-service status, and consequently the Government would be under no moral obligation to provide employment for them. This situation does not apply with the substitutes, all of whom have taken successfully an examination with the expectation of securing postal employment, and many of whom have relinquished other jobs as a consequence. This temporary or auxiliary help would not depend upon the Postal Service as a means of livelihood. These workers, where they are now utilized, are largely recruited from among the college students or workers who have other employment that does not take up all of their time. In short, a larger temporary and auxiliary force would permit the department to keep its substitute force within reasonable bounds.

In addition to my bill to guarantee substitutes a minimum amount of work weekly, I favor heartily, as a necessary supplementary measure, the Sweeney bill (H. R. 6183) limiting substitute service to one year. I favor also the Kelly leave bill (H. R. 4719), which would give substitutes the same leave privileges as regulars. These three measures would go far toward improving economic conditions.

PETITION FROM INDIANAPOLIS

I include in my statement at this point a petition signed by 56 substitutes of the Indianapolis post office urging action on the Kelly and the Sweeney bills. This petition is a fair sample of countless petitions which I have received from many parts of our Nation in regard to my own bill:

NATIONAL FEDERATION OF POST OFFICE CLERKS,
Indianapolis, Ind., February 20, 1932.

A PETITION

DEAR SIR: In addressing you on a subject that is nearest our hearts we wish this petition to be regarded by you as an expression of our confidence in the sincere efforts you are putting forth to secure the legislative ends so vital to us as substitute clerks.

We wish hereby to establish the fact that we shall be known to be earnestly in accord with the provisions for sick and annual leave contained within the Kelly bill, H. R. 4719. We believe this will be the nearest approach obtainable at this time in the direction of remedying the injustice of the present system.

The Sweeney bill, H. R. 6183, appeals to us as an ideal measure in rightly interpreting the functions of a substitute and definitely controlling the term of service as such.

We hope to see a speedy end to the practice by which appointments to regular clerkships are deferred for an unreasonable period

of time; for instance, some of our group are rounding out their eighth year as substitute clerks.

We heartily indorse these two bills and commend your efforts in their behalf.

Fraternally yours,

Dewey R. Morgan, Elmer V. Klaiber, Varjo A. Anderson, Ralph B. Thompson, Arthur C. Langer, Jess Brown, Harry Anderson, Paul Becker, Lloyd L. Locke, M. R. Burnworth, P. H. Lawvere, Carl F. Zuchert, F. J. Schooler, jr., O. K. Jenkins, E. C. Elliott, Walter A. Johnson, Roscoe E. McNutt, Oscar Pollard, Isard Spall, Paul D. Gillum, Myron W. Starn, Encl P. W. Burnworth, Neil T. Kershner, C. L. McMurray, S. P. Markland, Chas. J. Sanns, Chas. C. Smith, Arthur B. Lewellen, R. L. Melick, E. G. Bennett, Lester Byfield, Clarence G. Myer, George A. Baltzell, W. S. Sweeney, James W. Cranz, Lee Snyder, R. L. Newhouse, H. H. Newman, Geo. T. Davis, Julius L. Rockever, Charles A. Bell, Arthur M. Johnson, Jos. W. Baird, Roscoe Kukwar, Hamilton Powell, Cliffe Giunt, Samuel Wilmer, Wm. N. Setts, S. G. Tulley, Alice McCarthy, Ivan Whitesell, Geo. W. LaFerney, G. Jerrson, Robert D. Fee, Clifford E. Powell, Wm. A. Carter, Indianapolis post office substitute clerks.

Attest:

HARRY ESTLE,
President Local No. 130.

HERMAN L. KETTLER,
Chairman Legislative Committee.

Mr. Thomas Flaherty, the exceedingly able legislative representative of the National Federation of Post Office Clerks, has given very valuable testimony to the Post Office Committee on this subject. He has shown that many employees in the smaller second-class offices have been dropped through relegation of this office to temporary third class; that thousands of substitutes who have worked as such for years are now earning little or nothing; that they have been dropped off the pay roll, if not off the civil-service list. That by restoring 8 and 9 hour working schedules for regulars and removing the speed-up system under which one clerk must do the work; that by making Saturday a half holiday, as the Kendall law was intended, will help the situation. Mr. Flaherty has explained to the committee that the problem of substitutes is largely one of sympathetic and intelligent administration.

Because of his comprehensive knowledge of the subject, his integrity and fairmindedness, his testimony to the committee merits fullest consideration.

MANY PETITIONS AND PROTESTS

The many petitions and protests from post-office substitutes in Los Angeles, Brooklyn, Pittsburgh, and other places requesting legislative relief are to the same effect, namely, that the falling off in mailings and the department's economy program, whereby the hours of regular employees in many instances have been increased by a change in working schedules, have greatly reduced work opportunities for the substitutes.

It is incumbent upon the Congress to now give some legislative relief to these substitutes by enacting these measures.

RELEGATION OF SECOND-CLASS POST OFFICES

I call the attention of the House to a bill that I have introduced (H. R. 8684), which is intended to prevent the relegation of second-class offices to third class due to a falling off in receipts. This condition is a by-product of the present depression, and I believe the Congress should lower the existing fiscal requirement in the interests of the postmasters and employees affected. The law now fixes \$8,000 as the requirement to maintain a second-class designation. I would lower this to \$6,500 for the present and the next fiscal year. This would give the postmasters and employees in the smaller offices an opportunity to retain their present status during the depression period.

As near as can be estimated, 125 offices will be relegated on July 1 next, unless this legislation is enacted. This would mean that approximately 400 employees and postmasters would either be without employment or would have their earnings greatly reduced. Inasmuch as the Congress has very properly seen fit to come to the aid of other groups, I believe we should not overlook these faithful employees in the smaller communities where, if thrown out of employment, there would be little opportunity to find it elsewhere at present.

I bespeak the support of H. R. 8684 by the House membership as a constructive measure to lessen unemployment. [Applause.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill for amendment.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 4719) granting leaves of absence with pay to substitutes in the Postal Service and had directed him to report the same back to the House with the recommendation that the bill do pass.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MEAD, a motion to reconsider the vote by which the bill was passed was laid on the table.

PAYMENT OF MONEY ORDERS

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 278) to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn.

The SPEAKER. The gentleman from New York calls up a bill, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 278) to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MEAD. Mr. Chairman and members of the committee, this bill permits the Post Office Department to make a charge equal to the original charge when a money order is paid at a post office other than the one on which the order is drawn. This merely compensates the department for the extra work involved.

It has been recommended by the Postmaster General in his last annual report. It was considered by the Post Office Committee and unanimously reported.

As I said in the beginning, it is an attempt to provide compensation for service not heretofore compensated for and given by the Post Office Department to those who use this particular class of service.

Mr. FOSS. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman from Massachusetts, the author of the bill.

Mr. FOSS. I simply want to call attention to the fact that this bill passed the House last year.

Mr. STAFFORD. The gentleman's remark occasions my rising to propound the inquiry whether this proposal was not somewhat contested last year when it was brought up for consideration?

Mr. HOGG of Indiana. If the chairman of the committee will yield, I may say it was only objected to by two, or perhaps three, Members and at that time the fee was explicitly fixed in the bill.

Mr. STAFFORD. And now it is proposed to leave the amount of the fee to the determination of the department?

Mr. HOGG of Indiana. No; according to the bill, the fee will be the same at the other end.

Mr. MEAD. In other words, a charge equal to the money-order fee now charged is made when a patron requests the cashing of a money order at an office other than the office upon which the order was drawn.

Mr. STAFFORD. Will the gentleman yield me a few minutes on the bill?

Mr. MEAD. Mr. Chairman, I yield the gentleman from Wisconsin five minutes.

Mr. STAFFORD. Mr. Chairman, this is one of the bills that was under consideration last year, and was reported late last evening so as to be on the calendar for to-day.

When this bill was up for consideration last year I questioned whether it was proper to charge the same fee for payment at a different office from that of issue because conditions might mean that that fee would be much larger than the service would warrant. Take, for instance, you charge 40 cents for the payment of a postal money order of \$100, and the expense occasioned by having it paid at some other office would be just the same whether the amount is \$2.50 or whether it is \$100, and yet under this bill you would require the payment of a larger amount, although the expense would be the same, because there is no greater clerical service required.

I ask the author of the bill what is his idea about charging the same fee as the initial fee when the cost is no different regardless of the amount of the money order.

Mr. FOSS. It is simply because the fee is already established.

Mr. STAFFORD. The gentleman will agree, I believe, with my position that there is no further cost whether the money order is for \$2.50 or \$100.

Mr. FOSS. As I recall, last year we did fix a definite fee for that purpose. As I recall, in the last Congress the Post Office Department wished it left to them to determine the amount of the fee for this service, and the committee did not believe that the department should have such discretion.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. HOGG of Indiana. Does not the gentleman from Wisconsin believe that if a person purchases a money order at Washington payable at New York and then puts that in his pocket and takes it to San Francisco the Government ought not have a fee for balancing the accounts when it makes payment at San Francisco?

Mr. STAFFORD. Yes. I take the position that you should compensate the department for the extra service, but you should leave it to the department to determine what the charge for the extra service is to be.

Mr. HOGG of Indiana. We brought in such a bill last year, and it was objected to because the objectors did not want to leave the fixing of fees to the department.

Mr. STAFFORD. No.

Mr. LA GUARDIA. Yes; I objected.

Mr. HOGG of Indiana. The able gentleman from New York [Mr. LA GUARDIA] objected to that.

Mr. STAFFORD. I understood the policy of the committee last year was not to submit this to the decision of the department, but to recommend a definite fee.

Mr. FOSS. Yes; that is right.

Mr. STAFFORD. The gentleman from Massachusetts [Mr. Foss] confirms my statement.

Mr. FOSS. And we did recommend a definite fee on all such bills.

Mr. STAFFORD. Here is a money order, issued in New York, for \$100, payable in Philadelphia. The person happens to cash it in Baltimore. Why should he be charged a different fee for payment in Baltimore? If the money order is for \$2.50 he only pays 7 cents, whereas if it is for \$100 he would pay 40 cents.

Mr. HOGG of Indiana. Simply because the sendee is asking the Government to do something that it did not contract to do, and a larger fee is just when larger amounts are involved.

Mr. STAFFORD. I am in favor of the primal idea of this bill in requiring an extra charge for the payment of a money order at a different office from that at which the money order was originally intended to be paid.

Mr. HOGG of Indiana. If the gentleman will yield further I will answer the gentleman's inquiry. There must be

a fixed and arbitrary charge of some kind. I submit to the gentleman that there is no method of arriving at a more reasonable charge than to fix the same fee which was originally charged the sender of the money order. If the sender pays a certain fixed fee for sending \$100 from one city to another city surely the sendee should pay a like fee for cashing the money order in a third city.

Mr. STAFFORD. I would much rather leave it to the department to establish one uniform fee, based upon certain conditions as to distance and the like.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to regulate the payment of postal money orders," approved February 6, 1913 (38 Stat. 280; U. S. C., title 39, sec. 727), is amended to read as follows:

"That under such rules and regulations as the Postmaster General shall prescribe postal money orders may be issued payable at any money-order post office, and on and after the date upon which such rules and regulations become effective all money orders shall be legally payable at any money-order post office, although drawn on a specified office; and as compensation for the extra labor involved in paying a money order at an office other than that on which the order is drawn the Postmaster General is authorized to exact a fee of the same amount as that charged for the issue of the order; and that all laws or parts of laws in conflict herewith are hereby repealed."

With the following committee amendment.

Page 1, line 4, strike out "1913" and insert "1914" instead.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 278) to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which orders are drawn, and had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MEAD, a motion to reconsider the vote whereby the bill was passed was laid on the table.

LIMITATION OF THE PURCHASES OF THE POST OFFICE DEPARTMENT

Mr. MEAD. Mr. Speaker, I ask unanimous consent that the bill (H. R. 5612) to limit the purchases of the Post Office Department, so far as possible, to articles of the growth, production, or manufacture of the United States be laid on the table.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

TO DEFER REDUCTIONS IN CLASS OF POST OFFICE AT SALARIES OF POSTMASTERS AND EMPLOYEES

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 6305) to amend the act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustments, and for other purposes, and I ask unanimous consent that this bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. STAFFORD. Mr. Speaker, this is an important bill involving a \$600,000 charge on the Treasury, and it is too important to be considered in the House as in Committee of the Whole.

The SPEAKER. Does the gentleman from New York think this bill will take any extended time?

Mr. MEAD. I do not believe so. The gentleman from Wisconsin, I think, is mistaken in his estimate of the total cost of this bill.

Mr. STAFFORD. I direct the gentleman's attention to the report, in which it is said that its enactment would involve an approximate additional expense of \$691,422 for the fiscal year 1932, and it is believed that greater additional expense for the fiscal year 1933.

The SPEAKER. The Chair desires to call attention to the colloquy yesterday afternoon, in which it was suggested that in the latter part of the day the Speaker would be authorized to recognize gentlemen to take up the rule on the moratorium-irrigation proposition. If this bill is to take up two hours, it would then be 6 o'clock. If there is real opposition, it could not be passed in an hour.

Mr. BYRNS. Mr. Speaker, the Assistant Postmaster General says that the enactment of this bill would involve an approximate additional expense of \$691,422 for the fiscal year 1932, and it is believed greater additional expense for the fiscal year 1933, and he is opposed to the bill.

Mr. BRUNNER. Mr. Speaker, at the hearing this statement was made:

Mr. TROTTER. This would reduce \$234,000. However, there would be some offset, because when they went back to the third class they would pay, then, from the appropriation for third-class postmasters \$184,178. So these officers would cost only \$60,622.

Mr. BYRNS. Mr. Speaker, I have just read from the letter addressed to the committee by the First Assistant Postmaster General.

Mr. MEAD. The bill takes effect the 1st of July next; if the depression continues, it might reach the figures suggested by the chairman of the Committee on Appropriations. But, in view of the fact that we are supposed to have reached the bottom and are about to rise, it will not have any effect, except, if we increase the revenues, it will increase salaries.

It is merely to protect them from a further reduced classification. It protects the second-class offices from going into the third class, thereby losing their civil-service status.

Mr. KELLY of Pennsylvania. It does not mean the taking of an additional dollar out of the Treasury more than was provided for the fiscal year which we are covering in this bill.

Mr. BYRNS. That may be true; but if we do not take that dollar and pay it out in an increased salary to the postmaster, it will help to take care of the deficit to the extent of whatever is saved in that respect, and even if it is only \$60,000, I do not think this is a good time to increase salaries.

Mr. KELLY of Pennsylvania. If the gentleman will yield, the gentleman's own committee brought in the appropriation which will be used, if this bill goes through, upon the basis that the revenues would be on a stable basis. Instead of that, they have dropped almost \$50,000,000 for the year.

Mr. BYRNS. What has the gentleman to say in regard to the position of the Post Office Department as to this bill? I think we ought to trust some things to the Post Office Department. They have written a letter saying that they are opposed to this bill. I do not believe it ought to pass without due consideration.

Mr. KELLY of Pennsylvania. We have passed this afternoon measures which will increase the revenues of the Post Office Department more than \$15,000,000, and this bill does not take an extra dollar out of the Treasury above the amount provided by the regular appropriation.

Mr. BYRNS. Then let us not now begin to chip off what we have saved in the way of revenues. Let us make it a real saving, and not turn around and give it away in salaries.

Mr. KELLY of Pennsylvania. There is no increase whatever. The gentleman seems to think that we are increasing salaries. All we are doing is maintaining salaries at the level which the gentleman's committee appropriated for the fiscal year 1932-33.

Mr. BYRNS. But under the law these salaries are fixed according to receipts, and when we undertake to change the law and provide that a lesser amount of receipts shall not affect the salaries, then we are increasing the salaries contemplated by Congress when it passed the original legislation, and I assume that that is one of the major reasons

which influenced the Post Office Department to recommend this bill be not adopted.

Mr. KELLY of Pennsylvania. There is another point involved in this bill, and that is that these postal revenues have reached such a stage now that certain second-class offices, which have civil-service employees of many years' standing, have been reduced automatically to third class. Immediately all the rights of those civil-service employees—their retirement and their standard pay—falls and they become employees of the postmaster and no longer have a civil-service status. These employees are protected in this bill, and they well deserve it.

Mr. MEAD. Mr. Speaker, in view of the opposition and the possibility of considering the unanimous-consent request made last night, I ask unanimous consent that this bill be temporarily laid aside.

The SPEAKER. Without objection, it will be so ordered. There was no objection.

THREATENING COMMUNICATIONS IN THE MAILS

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 96) to punish the sending through the mails of certain threatening communications, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That whoever, with intent to extort or without justification to demand from any person money or other thing of value, shall deposit or cause to be deposited in any post office, or station thereof, or street or other letter box of the United States, or authorized depository for mail matter, to be sent or delivered by the post-office establishment of the United States, any written or printed letter or other communication with or without a name or designating mark subscribed thereto, addressed to any other person and containing any threat (1) to injure the person, property, or reputation of the addressee or of another or the reputation of a deceased person, or (2) to kidnap any person, or (3) to accuse the addressee or any other person of a crime punishable by law, or (4) to expose any infirmities or failings of any person or to charge any person with infirmities or failings shall be fined not more than \$1,000 or imprisoned not more than five years: *Provided,* That the accused may be indicted and tried either in the district in which the unlawful matter is deposited as aforesaid or in the district to which it is carried by mail for delivery, according to the directions thereon, or in the district to which it is directed to be delivered by mail by the person to whom it is addressed.

With the following committee amendments:

Page 2, line 8, strike out "\$1,000" and insert "\$5,000."

Page 2, line 9, strike out "five" and insert "20."

The SPEAKER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EQUIPMENT ALLOWANCE TO THIRD-CLASS POSTMASTERS

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 4602) granting equipment allowance to third-class postmasters, which I send to the desk.

The SPEAKER. The gentleman from New York calls up the bill H. R. 4602. This bill is on the Union Calendar.

Mr. MEAD. Mr. Speaker, I ask unanimous consent to consider the bill in the House as in Committee of the Whole.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, this is one of the bills reported late yesterday. I object.

The SPEAKER. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union and the gentleman from Arkansas, Mr. GLOVER, will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4602, with Mr. GLOVER in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That on and after July 1, 1932, postmasters at third-class offices in which post-office fixtures and equipment are not provided by the Post Office Department shall be paid, as

allowances for personally owned or rented post-office fixtures and equipment, an amount equal to 50 per cent of the box rents collected at such offices, the allowances to be paid quarterly, under such rules and regulations as the Postmaster General may prescribe: *Provided*, That when post-office fixtures and equipment are furnished by the Post Office Department at post offices of the third class, the provisions of this act shall become inoperative.

With the following committee amendment:

Page 1, line 3, strike out "1932" and insert "1933."

Mr. MEAD. Mr. Chairman, this bill permits third-class postmasters to retain 50 per cent of the box rents collected from their patrons. All this equipment is furnished by the postmaster at no expense to the Government. The local postmaster pays taxes and insurance on the equipment and is not reimbursed by the department. We believe this legislation is meritorious and should be approved. The Committee on Appropriations cut out an item which would enable the Postmaster General to purchase a certain amount of this equipment during the next fiscal year. If that practice continues and these postmasters are forced to furnish their own equipment they should share in the revenues resulting in the use of the equipment. We provide in this bill that 50 per cent of the revenue from the box rents shall be turned over to the Government and 50 per cent retained by the postmasters. It is his own property. When he is appointed postmaster he must buy this equipment and is not reimbursed by the department. When he leaves the service, in many cases he finds it impossible to sell his equipment, even at a sacrifice. It occurs to me it is an injustice to expect third-class postmasters to provide their own equipment when we provide the equipment for other postmasters. I feel that the department should standardize this equipment, own this equipment, and this legislation is intended to bring that condition about.

We have amended the bill so that it will not take effect during the next year and will only go into effect in July, 1933. This is a discrimination that should be corrected, and the committee aims to make that correction by this bill. I hope it will be favorably approved by the House.

Mr. STAFFORD. Mr. Chairman, I ask recognition in opposition to the bill.

The CHAIRMAN. Is there any member of the committee opposed to the bill? [After a pause.] If not, the gentleman from Wisconsin is recognized for one hour.

Mr. STAFFORD. Mr. Chairman, I yield to the gentleman from Tennessee [Mr. BYRNS] such time as he desires.

Mr. BYRNS. Mr. Chairman, I am not going to discuss the merits of this bill so much as I am the question of passing bills of this kind at this particular time. I am going to read to you the report of the Postmaster General on this particular bill. Then if you feel that the opinion of the Postmaster General, who is the head of the department, is not to be considered and that we should pass the bill notwithstanding his opposition, of course, that is the privilege of the House.

This is the letter of the Postmaster General, set forth in the report:

POST OFFICE DEPARTMENT,
Washington, D. C., January 26, 1932.

HON. JAMES M. MEAD,
Chairman Committee on the Post Office
and Post Roads, House of Representatives.

MY DEAR MR. MEAD: Replying to your letter of the 14th instant, requesting an expression of my views on bill H. R. 4602, providing for an equipment allowance to postmasters at third-class post offices in an amount equal to 50 per cent of the box rents at such offices, I have to advise that in view of the additional expense involved, approximately \$1,000,000 per annum, it is recommended that adverse action on the bill be taken.

Very truly yours,

WALTER F. BROWN.

Now, the Postmaster General ought to know more about this bill and its effect than any other person. He tells you that when you put it into the law it is going to cost the taxpayers of the country \$1,000,000 per annum.

The gentleman from New York [Mr. MEAD] says he will provide that it shall not go into effect until the fiscal year 1933, or next July 1; but I call attention to the fact that we are now not only in a state of intense depression and a big deficit but on to-morrow we will take up a tax bill

which taxes everything that every man and woman in this country eats and wears, with a very few exceptions. In face of that are we going to add another million dollars to the deficit that will occur on June 30, 1933? That is what we are going to do if we pass this bill.

Now, Mr. Chairman, the Committee on Appropriations considered this matter a year ago. Third-class postmasters who have been seeking increases in salary were allowed \$300,000 for the purchase of equipment in their offices. There are about 9,000 of them, as you can realize by the amount involved in this bill. They will have provided for 200 third-class postmasters this coming year in that \$300,000. It will require a period of about 20 years before we ever get through providing equipment, and before half that time elapses Congress would be appropriating more money for those who first got the equipment, and it would cost \$15,000,000 to complete the program. Your Appropriations Committee recommended, and this House without question ratified, their recommendation and cut that appropriation out of the appropriation bill for next year. Now, you are asked to pass a bill which will provide not for \$300,000 but for a million dollars next year. Gentlemen, when are we going to stop?

Mr. DYER. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. DYER. I understood from the press that the so-called policy committee of the House, which I take it to be the leaders, including, of course, the gentleman from Tennessee, has advised chairmen of the various committees not to bring in legislation, generally speaking, that would put a tax upon the Treasury?

Mr. BYRNS. No; not as far as I know. I have not attended every meeting of the policy committee, but I do not think the matter has been broached in the policy committee. I do recall a letter which the papers stated was written by the Speaker and the majority leader to the chairmen of the various committees requesting them not to report legislation involving authorizations unless there were vital reasons for doing so.

Mr. DYER. We of the Judiciary Committee took that as law and have been following it strictly so far; but if other committees are not going to do it, of course, then our committee should not be expected to do so.

Mr. TABER. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. TABER. Does the gentleman think that the people back home who are protesting against increased taxes will be pleased by this legislation?

Mr. BYRNS. I certainly do not; and I think, if we continue to pass this kind of legislation, somebody will answer for it in November when we go before the people.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. EATON of Colorado. Does not every third-class postmaster mentioned here enter into competition for his appointment, knowing that he has to pay for these things himself?

Mr. BYRNS. Of course he does; and I daresay you gentlemen on this side of the Chamber, who are in political sympathy with the present administration, and therefore who have devolved upon you, probably, the recommendation of applicants to fill those offices, are overwhelmed every time a vacancy occurs by the number of applicants who want it. All of them, as the gentleman from Colorado says, understand what he will have to supply and what their compensation will be when they enter office.

Now, why should we undertake to increase the third-class postmasters in this way? It is said that they buy the equipment and therefore they should have half of the receipts.

Suppose they do? They get a salary based on their receipts, and under the law they are required to furnish their equipment. As the gentleman from Colorado [Mr. EATON] says, they know what they are required to do when they are appointed.

I can not see any possible reason for the passage of this bill increasing, as the Postmaster General says, the expenses of the Government for 1933 and 1934 in the sum of \$1,000,-000 every year.

Now, gentlemen, we have got to call a halt. I am not any more interested in economy than you are.

I heard that great old statesman, Uncle Joe Cannon, say once on the floor of this House that the only way to reduce was to reduce. There is nothing truer in the world. We can not reduce when we come along and pass bills increasing salaries and increasing allowances. For goodness' sake, let us wait until this depression is over and then if you wish give these third-class postmasters this increase, if you think they are entitled to it. This is no time to increase salaries here, when salaries are being cut in various places. I have never up to this time asked for a reduction. I did not ask it last week. All I was asking was that we do not enter upon the policy of increasing salaries. Let me tell you something. A naval officer said last week—and I am not going to call his name—in talking about reductions, that there was no reason why Congress should not, under the present stress of circumstances, temporarily reduce all salaries, and he cited this instance. He said:

I have a brother who took a four years' academic course; then he took a course in theology; now he is the pastor of an Episcopal Church at \$1,800 a year, and his church has cut his salary 10 per cent.

Mr. SWEENEY. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. SWEENEY. In line with the sentiment expressed by the gentleman from Tennessee when he said let us wait until this depression is over, may I ask the gentleman from Tennessee whether he will agree that I submit an amendment to make this act effective July 1, 1934, and reduce the per cent from 50 to 25?

Mr. BYRNS. Of course, that is up to the committee. But why put it into effect now? I do not know what the conditions are going to be then. I do not know whether the tax bill is going to balance the Budget or not, and I do not know whether the tax bill is going to pass or not, or anything of that sort. I do not know what the conditions will be then. However, Congress will be in session a year from now just as it is in session at this time. Why, therefore, undertake to provide that in 1934 this increase shall be made? Let that be decided when Congress comes to it.

Gentlemen, we ought to kill this bill and tell the country we have stopped increasing salaries for the time being; that we are not going to have any more increases in salaries under the present circumstances. [Applause.]

Mr. STAFFORD. Mr. Chairman, I yield five minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Chairman, it had not been my intention to have anything to say with respect to this bill; in fact, I had some assurance from those in charge of the legislation that was going to be proposed to-day that, instead of creating additional charges upon the Post Office Department, the bills contemplated were for the purpose of increasing some legitimate revenues in order to meet the already tremendous deficit in the operation of that department.

I want to submit this for the candid consideration of the members of this committee on both sides of the aisle, because this is not a party question. The deficit that exists in the Treasury of the United States is an actual deficit. I think it is the part of sound statesmanship, looking at it from the standpoint of the immediate future and in the long-range view, that we undertake just as soon as possible to devise some means by which we may balance our National Budget and pay as we go.

Mr. MEAD. Will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. MEAD. In view of the opposition to this bill, and with the gentleman's permission, I would like to withdraw it and call up another bill. [Applause.]

Mr. BANKHEAD. I am very happy the gentleman has determined to do that.

Mr. STAFFORD. Mr. Chairman, I will not use any of the time allotted to me if the gentleman will move that the committee do now rise.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly, the committee rose; and Mr. BANKHEAD having assumed the chair as Speaker pro tempore, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 4602) granting equipment allowance to third-class postmasters and had come to no resolution thereon.

TRANSPORTATION OF MAIL BY MOTOR VEHICLE IN LIEU OF BY TRAIN

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 9636) to authorize the Postmaster General to permit railroad and electric-car companies to provide mail transportation by motor vehicle in lieu of service by train.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

Mr. STAFFORD. Mr. Speaker, this bill was defeated in the last Congress. I object, Mr. Speaker.

The SPEAKER pro tempore. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 9636, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Chairman, in explanation of this bill, permit me to say that the Post Office Department has conducted a survey and is able to furnish fairly accurate figures as to just what effect this bill will have on the appropriations for the department. All this information was not available at the time the bill was discussed here in the last Congress.

This bill grants the department authority to carry the mail on bus and truck lines established by railroads where passenger-train service has been discontinued. If this authorization is not given, it will be necessary for the department to advertise for star-route contract service at an added expense of \$125,000 per annum.

Here is a paragraph from the Postmaster General's report which explains the statement I have just made:

It may be stated that at the present time railroad and electric-car companies are providing satisfactory service by bus or truck over the highways in lieu of service by train at many points throughout the country, and that the total compensation for this service at regular railroad rates is approximately \$250,000 per annum. We have had a recent survey made by our field officers and it is indicated that if the present manner of handling were discontinued and service placed under star-route contracts the additional cost would be approximately \$125,000 per annum.

In many cases railroad and electric-car companies have been forced to discontinue passenger-train service and have substituted service by busses and trucks to those communities that formerly had railroad passenger service.

The Comptroller General has ruled that the Postmaster General is without authority to continue the practice of reimbursing the railroads for carrying the mail under these circumstances, but has permitted the Postmaster General to do so until the beginning of the next fiscal year, after which time the Comptroller General will no doubt require legislative authority. To give the Postmaster General such authority this bill has been reported by our Committee on the Post Office and Post Roads.

Mr. LaGUARDIA. Mr. Chairman, I rise in opposition to the bill.

Mr. Chairman, we had this bill up last year, and I may say to the chairman of the Committee on the Post Office that we had a long debate on it. The bill was defeated on the floor of the House. I do not want to go into details at this time because there is an important measure coming up under a rule and it would not be fair; but I submit to the chairman that a bill of this kind ought to be thoroughly debated.

Gentlemen, this is what it means. It means that the railroads can obtain contracts to carry mail and then sublet them, or carry the mail by bus, and there will be no real competitive bidding between bus lines or between bus lines and railroads, and it will cost the Government more money instead of saving any money. The gentleman from Michigan [Mr. MICHENER] is on the floor and will remember when this bill was up last session. The bill was thoroughly debated at that time and was defeated.

Instead of saving any money this is going to cost more money, because the Government will pay railroad rates for bus transportation, which is cheaper.

Where you have a situation between two points where mail is carried by busses, if we have competitive bidding we will get the lower rate. Bus transportation permits competitive bidding. If a railroad as such obtains the original contract and then carries the mail by busses or sublets the carrying of the mail to some bus line, the Government does not get the benefit of the decreased cost of transportation.

At this late hour we can not go into this matter very thoroughly, but I want to say to the gentleman from New York that it puts many of us in a most embarrassing position. We do not want to use time that has been promised to a great many Members who have a bill in which they are very much interested and about which they are very much concerned, and I wish the gentleman could withdraw this bill. The bill is highly controversial.

Mr. MEAD. I will say to the gentleman from New York we discussed this measure last year, but we did not have an exhaustive report which we now have from the department.

Mr. LA GUARDIA. We had exactly the same bill.

Mr. MEAD. But the department has since made a survey, and they now say it will save the department \$125,000 a year.

I hold no brief for railroads, but let me say to the gentleman there are many places in sections of the country where service is given only by railroads or by bus and truck lines which have been put on by the railroads to render such service.

Mr. LA GUARDIA. Yes.

Mr. MEAD. And I believe if we retain the present rates by preventing the Post Office Department from paying the railroads a rate in excess of the rate they are now receiving to carry the mail we are moving in the right direction.

Mr. LA GUARDIA. Let me say to the gentleman, Why are the busses displacing the railroads? For the simple reason that they are more economical in operation. Here you are providing under the guise of economy permission to the railroads to come in and receive railroad rates for mail transported by the busses, when the busses can operate at a cheaper rate.

Mr. MEAD. This is only where the railroads have established bus service in lieu of passenger-train service.

Mr. LA GUARDIA. Let them get the bus rate then. The transportation of mail is based on capitalization and the cost of operation, and if you compare that with the bus business the bus cost of operation and bus capitalization is so much less, and that is why the railroads can not compete with the busses. But if the Government is to use busses for mail, we should pay bus rates. This bill is not for Government economy but for greater profits to railroads.

Mr. MEAD. The representatives of the Government say that they will save money by this provision. We must take the word of the Postmaster General.

Mr. HASTINGS. Will the gentleman yield?

Mr. MEAD. I will yield five minutes to the gentleman from Oklahoma.

Mr. HASTINGS. Mr. Chairman, I hope the bill will not be withdrawn. This is a most important bill to the West and the agricultural sections. The gentleman from New York may not appreciate the importance of it, but I represent an agricultural section, and I know that a great many trains have been taken off and the people of the smaller towns are deprived of adequate mail facilities. What they are asking for is the carrying of mail by bus when the towns can not be reached by train.

There is nothing in this bill to be alarmed about. The bill does not increase the rates. It provides for no higher rates than that received by the railroads for carrying the mail.

I did not know that this bill was coming up for consideration to-day, but let me say that the railroads have taken off a great many trains in my district. I dare say that in many towns the people are deprived of adequate mail facilities. This bill only gives them the same mail by bus that they have heretofore had by train, and at the same rate and no higher. It is a very important bill to the agricultural sections of the country.

A great many trains over the small lines throughout the country have been discontinued. That is true of a number of counties in my State. The Post Office Department reports that the mail could be carried by bus where the trains had been taken off.

I hope that the gentleman from New York [Mr. MEAD] will not consent to the bill being withdrawn. I know, as well as you do, that if this bill is withdrawn to-day it is dead. Why? Because you can not get a rule for it; it will be regarded as too unimportant to secure a rule for its consideration, and if it is put on the Consent Calendar there will be objections to its consideration. This is Calendar Wednesday, and the call is with the Post Office Committee. This is a very important bill to the agricultural sections and the smaller towns throughout the country visited by busses where trains have been taken off, and where they have no other mail facilities, and where mail can be delivered at no increased cost to the Government.

Mr. LA GUARDIA. There is nothing to prevent busses carrying the mail by direct contract.

Mr. HASTINGS. The bill does not increase the rates; the busses do not get any higher rates for the same service. I can not see any possible objection to the bill, and I sincerely hope the chairman [Mr. MEAD] will insist on its consideration and keep it before the House until we get a vote on it.

Mr. ALLGOOD. Could not the Postmaster General have such mails carried by star route, and give the contract to the lowest bidder?

Mr. HASTINGS. That requires advertising, takes time, and causes delays. There are no star routes connecting many places. In any event, here is a bill that has been reported by the committee and has a favorable report from the Postmaster General. It is in the interest of better mail facilities and at no higher rates, and it ought to receive the favorable consideration of this House. I have always favored adequate mail facilities.

Mr. FOSS. And, in addition, this would only be in effect for the balance of the life of the contract.

Mr. HASTINGS. No longer.

Mr. LA GUARDIA. Will the gentleman show where that is provided in the bill?

Mr. FOSS. A railroad, we will say, has a contract for carrying the mail. Let us suppose that it has already carried the mail for a length of time. They take off the trains, and this bill extends the service by bus.

Mr. LA GUARDIA. The bill should have a proviso that it would apply only to existing contracts. Then it would not be so bad. The trouble is that you are paying more for this service than you should be paying.

Mr. FOSS. But no more than we are paying for the train service.

Mr. LAGUARDIA. No; but you are entitled to a cheaper rate if it is transported by bus.

Mr. HASTINGS. But in the meantime you deny the rural sections adequate mail facilities if you do not pass this bill.

Mr. MEAD. Mr. Chairman, I ask for the reading of the bill.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the Postmaster General is hereby authorized, in his discretion, to permit railroad and electric car companies to provide mail transportation by motor vehicle over highways in lieu of service by train, the compensation for such service to be at a rate not in excess of the rate that would be allowed for similar service by railroad or electric car, payment therefor to be made from the appropriate appropriation for railroad transportation and mail messenger service or electric and cable car service.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with a favorable recommendation.

The motion was agreed to.

Accordingly the committee rose; and Mr. BANKHEAD having assumed the chair as Speaker pro tempore, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 9636) to authorize the Postmaster General to permit railroad and electric-car companies to provide mail transportation by motor vehicle in lieu of service by train.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The SPEAKER resumed the chair.

TEMPORARY RELIEF OF WATER USERS ON IRRIGATION PROJECTS

Mr. BANKHEAD. Mr. Speaker, I rise to submit a unanimous-consent request, but before doing so I shall make a brief explanation. The Committee on Irrigation and Reclamation reported unanimously a bill to the House that is now on the calendar providing for a temporary moratorium in the payment of some of the construction charges. They asked the Committee on Rules for a special rule to consider this bill, which has been granted.

If the unanimous consent which I propose to ask is not granted, it is my purpose this afternoon immediately to ask for the consideration of the rule. This legislation, in my opinion, is clearly emergency legislation, from the facts presented to the Committee on Rules. The emergency consists of the fact that in some sections of the irrigated portions of the country the time has now arrived when the farmers must have water turned on their land before they can begin their crop production. The bill does not involve any expenditure of money out of the Treasury. It is merely asking an extension of payment for this year on 50 per cent of the amount due now and last year. I trust, in order to save time, that Members will agree to a unanimous-consent agreement to take the bill up and consider it in the House at this time.

Mr. O'CONNOR. Mr. Speaker, I reserve the right to object. Are the proponents of the bill willing to put in some interest even for one year?

Mr. BANKHEAD. Mr. Speaker, I think it is proper for me to state this, inasmuch as that inquiry has been made by a member of the Committee on Rules. Negotiations were had in an unofficial way between some members of the Committee on Rules and those responsible for this legislation to see whether the legislative committee reporting the bill would agree to an amendment providing for one year's interest on these deferred charges. I think possibly a tentative arrangement was made by which the sponsors of the bill would make that agreement. However, my friend will recall that when we took final action on the Committee on Rules on this proposition, no agreement was imposed with reference to that matter. Of course, it is an amendment that any member of the Committee of the Whole may offer to the bill.

I can not answer for the sponsors of the bill with reference to what they have in mind.

Mr. O'CONNOR. If the gentleman will yield for a minute, I have been heartily in favor of the bill because of the emergency involved.

Mr. BANKHEAD. That is true.

Mr. O'CONNOR. But as I have maintained all of the time in the Committee on Rules, in good faith some interest should be included in the bill. I am not in sympathy with the proposition that interest should be included for the 25 or 30 years which are involved in this postponement of payment, but I think for this year 1932, during which this payment is not to be collected, at least one year's interest at, say, 3 per cent, should be included.

Mr. BANKHEAD. That has been the consistent attitude of the gentleman from New York. I am not in a position to dispute the equity of it. I trust that matter may be given consideration by the chairman of the committee reporting the bill.

Mr. MICHENER. Mr. Speaker, reserving the right to object, is the gentleman from Georgia, Judge Cox, who has some very definite opinions on this matter, aware that this bill is to be brought up at this time?

Mr. BANKHEAD. Yes; I think so.

Mr. SWING. It is in the Record.

Mr. MICHENER. I am not talking anything about the Record. This matter has been before the Committee on Rules. It was not secret. It was open. It was the judgment of some members of the Rules Committee that interest should be included. This was not in executive session. Then it was found that the gentlemen who were for the bill would rather not have the bill than pay interest, or it was so stated there.

Mr. BANKHEAD. Oh, no.

Mr. SMITH of Idaho. Interest is carried on all delinquent payments under the general law, but this is a bill to give special consideration for one year, 1931, and 50 per cent of the charges for 1932, and we feel that it would be unfair to charge interest on those payments when under the general law the payments that are delinquent have to bear interest.

Mr. MICHENER. Mr. Speaker, further reserving the right to object, has the gentleman from Alabama [Mr. BANKHEAD] read the bill; has he information other than the statements that were made before the Committee on Rules?

Mr. BANKHEAD. I will say that I have given no intensive study to the details of this bill. I did read it when we had it under consideration.

Mr. MICHENER. Like the gentleman from Alabama, I had not read the bill, but long bills of this type are brought before the committee—

Mr. BANKHEAD. Will the gentleman permit me to say that I am inclined to sympathize entirely with the attitude of the gentleman from New York [Mr. O'CONNOR], and I have so expressed myself to the sponsors of this bill.

Mr. MICHENER. My question was if the gentleman understood what the bill provided. As a member of the Rules Committee, I did not. I listened to the splendid statements made by the gentleman from Texas [Mr. THOMASON] and others, but I did not know there was a provision in section 3 which provides for an extension of time for one year for the beginning of construction of drainage on certain projects, and so forth. There are things put in here that do not have a thing to do with emergency relief. Here is a project that has always been a bad one; it has not been a profitable one; it does not pay, and finally, there is a bill enacted here permitting new construction. The terms of the legislation can not be complied with this year. They can not construct, and this bill is brought in giving them permission to have another year in which to begin construction.

Mr. BANKHEAD. The gentleman knows that I am not in any way responsible for the provisions of this bill. We did vote to give them a rule for the consideration of this bill.

Mr. SMITH of Idaho. This is the exact bill that was considered by the Committee on Rules, and that section was in the bill when it was considered.

Mr. MICHENER. When the gentleman appears before the Committee on Rules he should state concisely what his bill contains; he should state all those things and not take an appealing part of the bill only. The Committee on Rules can not read and study all of the details of these bills. We have to rely on what the gentlemen tell us.

Mr. BANKHEAD. Mr. Speaker, I do not care to extend this argument indefinitely. I demand the regular order.

Mr. TABER. Mr. Speaker, I object.

The SPEAKER. Will the gentleman permit the Chair to make a suggestion? The only proposition before the House at the present time is whether or not you will give this bill a privileged status. If there is material opposition to this bill, in view of the fact that we are to have a session to-night, the Chair does not think it would be quite fair to the membership to take it up and run it into a late hour. The only proposition is, Will the House give this bill a privileged status? Then the question is when it will be considered in the House. The Chair understands that the gentlemen who are interested are anxious for early action. Just when the House could consider it in case there is material opposition, the Chair can not state, but if it is given a privileged status, then it would be in the discretion of the Chair when it would be taken up.

Is there objection to giving the bill S. 3706 a privileged status?

Mr. MICHENER. Reserving the right to object, I am not going to object, I want to make this statement. I do think that it is hardly the proper thing to bring a bill of this kind up when everybody who is for the bill is here, and just a scattering 75 Members in the House.

Mr. LA GUARDIA. That always happens. That is nothing new on Calendar Wednesday.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I have no objection to the bill being granted a privileged status, but it is upon the understanding that the bill will not be brought up this afternoon.

The SPEAKER. Upon the assumption that the bill will not be brought up this afternoon, is there objection to giving it a privileged status?

There was no objection.

THE LATE JOHN PHILIP SOUSA

Mr. RAINEY. Mr. Speaker, I have been advised that the Senate has messaged over a resolution with regard to the death of John Philip Sousa, and I offer a resolution.

The SPEAKER. The gentleman from Illinois offers a resolution, which the Clerk will report.

The Clerk read the resolution, as follows:

House Resolution 171

Resolved, That the House has heard with deep regret of the death of John Philip Sousa, late a lieutenant commander in the Navy, who was universally recognized as the world's greatest composer of march music.

Resolved, That a committee of five members be appointed by the Speaker of the House of Representatives to join a similar committee on the part of the Senate to attend the funeral of the deceased.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. SNELL. Mr. Speaker, I reserve the right to object.

Mr. SMITH of Idaho. Mr. Speaker, a parliamentary inquiry. What is the status now of the bill S. 3706, for which a special rule was granted by the Committee on Rules, and the chairman of that committee is ready to call up the rule?

The SPEAKER. The bill has a privileged status and that is all the rule gave it.

Mr. SMITH of Idaho. The gentleman from Alabama is ready to call up the rule.

The SPEAKER. When the question was put whether or not this bill should be given a privileged status, which was equal to adopting the rule, the Chair thought this was the quicker method. If the gentlemen interested in the bill want to withdraw that, the Chair has no objection. The

Chair was trying to facilitate the passage of the bill, but the Chair does not think the bill could be passed this afternoon.

Mr. SMITH of Idaho. Mr. Speaker, if this bill has a privileged status, I ask for the present consideration of the measure.

The SPEAKER. The Chair will not recognize the gentleman for that purpose. The Chair does not believe at this late hour that it would be fair to the membership to take up a bill of this nature, with the amount of opposition there is to it and with the debate that would be necessary. There would be two hours of debate and that would extend the consideration of the bill to 7 o'clock this evening, with a meeting at 8 o'clock for the consideration of the Private Calendar. The Chair for this reason must decline to recognize the gentleman for that purpose.

Mr. O'CONNOR. Mr. Speaker, I desire to submit a unanimous-consent request. I ask unanimous consent that this bill be considered under an amendment of the rule providing for one-half hour of debate.

Mr. MARTIN of Massachusetts. Mr. Speaker, I object.

The SPEAKER. Gentlemen, we must first dispose of the pending resolution. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object to make a statement. I am very sorry that this resolution was brought up at this time. I appreciate the services of Mr. Sousa, and in a general way I dislike to object to the resolution; but I think this would be establishing a very bad precedent; and if we start with this resolution, we would have to do the same thing many times in the future. It will be a precedent that will come back to plague us, and for that reason I object.

Mr. SMITH of Idaho. Mr. Speaker, a parliamentary inquiry. If this bill has a privileged status and the Speaker does not wish to recognize the chairman of the committee to call it up this afternoon, would it be possible to call the bill up to-morrow during the morning hour?

The SPEAKER. Let the Chair say to the gentleman from Idaho that the Chair has tried to facilitate the passage of this legislation with all the earnestness possible. The Chair wanted to give the measure a privileged status, and hoped that it could be considered this afternoon, but there has developed some opposition to the bill. Now, in order that the opposition may have a fair opportunity to present their views to the House, it would hardly be just to those gentlemen who are coming back at 8 o'clock to-night to consider bills on the Private Calendar to consider the measure at this time. As to when it can be taken up in the future is a question which the future must decide. Speaking for himself and as the one who can recognize the gentleman to call it up, the Chair hopes it can be taken up at a very early date, but the Chair does not think the advocates of the bill ought to insist on taking it up this afternoon.

Mr. SMITH of Idaho. Mr. Speaker, will it be subject to being called up to-morrow?

The SPEAKER. It could be called up to-morrow if the gentleman could get recognition from the Chair, which the Chair does not now propose to promise.

LIMITATION OF INJUNCTIONS

Mr. DOUGHTON. Mr. Speaker, one day last week my colleague the gentleman from North Carolina [Mr. HANCOCK] mentioned to me that he was very deeply interested in the anti-injunction bill (H. R. 5315). At the same time the gentleman stated it was possible that he might be away when the bill was considered, and requested that I pair him in favor of the bill, and also stated that if he were present he would support the measure. In justice to my colleague the gentleman from North Carolina [Mr. HANCOCK], I am making this statement.

HOUSE JOINT RESOLUTION 317

Mr. MORTON D. HULL. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record with reference to the joint resolution (H. J. Res. 317).

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MORTON D. HULL. Mr. Speaker, House Joint Resolution 317, introduced by me, making it lawful for the President to proclaim that a conflict exists in violation of, or threatened violation of, the Kellogg pact, and then to prohibit loans or extension of credit to the nation which is engaged in such violation, has two important implications: First, its general effect; second, its application to the present Far Eastern crisis.

The general effect of such a resolution would be greatly to strengthen the peace machinery of the world for the following reason: No President given the authority of this resolution will exercise that authority except in cooperation with the other nations. Although the resolution does not explicitly so provide, it would in actual practice be a multilateral undertaking. It would enable our State Department to confer with the other nations in a crisis. If it should seem advisable to the group to take the action provided for in this resolution, then the nations could vote to do so, knowing that the representative of the United States would have the backing of the administration, which in turn would have the power to put into effect the policy voted.

As it is now, there is no one who can speak with any authority at such a conference as to what the United States will do. Any action determined on by the nations can not be followed by the United States without congressional action. This situation is a very serious handicap to international action, and it would be at least partly removed by the passage of this resolution.

The second point is the relation of the resolution to the present crisis. If this resolution should be passed promptly, it would give Japan great cause to pause in her apparent policy of overrunning China in flagrant violation of the Kellogg pact.

It would work something like this: All the nations are loath to consider an economic boycott on Japan. Moreover, if they did consider it, there is no telling what the United States will do. The other nations could not take such action without us, and we ourselves can not say what we would do.

But the proposed resolution would make easy a practical, simple form of international action not so severe as an economic boycott, with no uncertainty of application or possible encounter that would lead to war, no unfavorable reaction on the nations taking the action, and yet very powerful in its psychological and actual effect on Japan. If the assembly of the league now meeting should vote to withhold loans or credit to Japan, with the United States concurring, such action would be a positive, definite step making it clear to the Japanese people that practically the whole world condemns their policy. That would be very important psychologically. Moreover, there are many, many things that Japan needs to carry on such campaigns as she seems to be contemplating in China and Manchuria.

These can not be secured in any quantity except by credit. Her credit would be cut off. Her exports to China have already dropped to about 20 per cent of what they were a year ago. Her exports of silk to us are dropping; she could pay for the things she needs in gold, and her gold is fast disappearing.

Of course, by internal loans and by local manufacture of munitions, Japan could keep up some sort of military campaign for some time even if her foreign credit were shut off. But such course would be a struggle against overwhelming odds with the whole world lined up against her, not in a military way, not even in any physical blockade or prohibiting of shipments of goods, but simply by the stopping of credit. The effect would be very great in making it evident to the Japanese people that they are being led astray by their military leaders.

SCHOOL SUPERINTENDENTS AND THE EIGHTEENTH AMENDMENT

Mr. REILLY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REILLY. Mr. Speaker, there recently came to my desk a circular containing a resolution adopted by the school superintendents of our country at their convention held several days ago in Washington, on law enforcement and the eighteenth amendment.

This circular, a copy of which was received by all the Members of this House, contained large headlines, which read as follows: "Educators back eighteenth amendment."

A few days ago one of the militant defenders, if not the most militant defender of the eighteenth amendment in this House, the distinguished gentleman from Texas [Mr. BLANTON] took occasion to call to our attention the said resolution as a protest by the school superintendents of our country against the movement in this House to ask a vote on the proposed amendment to the eighteenth amendment.

This superintendents' resolution, that is alleged to approve the eighteenth amendment and has brought joy to the hearts of the friends of the eighteenth amendment reads, as follows:

The department of superintendence urges teachers to continue to impart respect for the Constitution of the United States and for all of its various amendments. We urge the continued vigorous and impartial enforcement of the entire Constitution of the United States as the supreme law of the land, and we reaffirm our belief in the principles of the eighteenth amendment and in the habits of life and conduct which it is intended to inculcate.

I must confess my inability to find in the said resolution any condemnation or censure of the efforts of this House to bring before this body for debate a proposal to amend the eighteenth amendment so as to give the States of this Union the right to regulate or prohibit the liquor traffic within their own borders.

The declaration by the school superintendents in favor of the vigorous and impartial enforcement of the entire Constitution of the United States as the supreme law of the land certainly contains no commendation of the eighteenth amendment.

The American Bar Association, that has come out in favor of the repeal of the eighteenth amendment, is also strongly in favor of the continued vigorous and impartial enforcement of the entire Constitution of the United States as the supreme law of the land.

Seven members of the Wickersham Commission in their individual reports condemned the eighteenth amendment as unworkable and affirmed their belief that the amendment should immediately be repealed or amended so as to permit States that desired traffic in intoxicating liquor to have it under congressional supervision, and yet these same opponents of national prohibition strongly affirmed their belief in favor of the strict and vigorous enforcement, not only of the Constitution of the United States but of all its amendments, including the eighteenth amendment until it was amended or repealed.

The affirming of the school superintendents' belief in the principles of the eighteenth amendment and the habits of life and conduct which it is intended to inculcate, likewise is no statement on the part of these educators that they are at the present time in favor of national prohibition or opposed to the efforts being made in this House to submit to the people of the country an amendment for its repeal or amendment.

Millions of American citizens who believe in the principles of the eighteenth amendment and approve the habits of life and conduct which it was intended to inculcate and who were at one time in favor of the eighteenth amendment have now joined the army of American citizens who are demanding its amendment or repeal.

This change of attitude on the part of such a large body of our citizens is not due to the fact that they do not agree with the affirmations of these educators in this particular resolution, but because they are now convinced that the eighteenth amendment has dismally failed to develop the habits of life and conduct which it was intended to inculcate; that the amendment has not been enforced and can not be enforced in our country.

This organization of school superintendents has been meeting annually for a great many years. At its meeting in

Detroit in February, 1931, was the first time it passed a resolution specifically pertaining to the eighteenth amendment.

The Wickersham report that gave to national prohibition a blow from which it has not recovered and never will recover, was given to the public on January 20, 1931. The convention of superintendents assembled in that year on February 20, 1931, and passed the following resolution relative to the eighteenth amendment:

We reaffirm our belief in the eighteenth amendment as the most effective means yet devised to curtail the distribution and use of alcohol.

This is the way the resolution reads in the report of the proceedings of this meeting of the superintendents. It is quite manifest that the printer or somebody made a mistake and that the resolution was intended to read:

We affirm our belief in the eighteenth amendment as the most effective means yet devised to curtail the consumption and use of intoxicating liquor.

It is altogether probable that these superintendents at that time had learned nothing more about the Wickersham report than what they gathered from the misleading newspaper headlines as to what the report contained.

It is also probable that at that convention the friends of prohibition were frantically appealing to these educators to do and say something about national prohibition that would tend to offset the findings of the Wickersham Commission that national prohibition had proven a failure.

One year later, February, 1932, these superintendents came together again in their annual convention. During this year the eighteenth amendment was being enforced not by the Treasury Department, but by the Department of Justice, a change that it was claimed would revolutionize the situation in this country as to the workings of the eighteenth amendment.

Now, what happened? Would these superintendents reaffirm their belief in the eighteenth amendment as they did a year before, although they said but little at that time in favor of the eighteenth amendment? No; apparently the new enforcement régime had not bettered the situation as far as the superintendents viewed the results, and possibly many of the superintendents had read and studied the Wickersham report in the meantime and had learned what the report had really done to national prohibition.

Anyway, these superintendents could not be brought to repeat even the little that they had said in favor of prohibition in 1931 and dropped the prohibition question by affirming their belief in the principles of the eighteenth amendment and in the habits of life and conduct which it is intended to inculcate. They studiously avoided commending the eighteenth amendment on its record even feebly as they did in 1931. They had nothing to say for or against the wisdom of resubmitting the eighteenth amendment to the people of this country again through a new amendment to the Constitution.

They evidently were sorry and regretted very much what they had been led to say in praise of the amendment in 1931 and would not go one step farther than to deal with ancient history as far as the eighteenth amendment was concerned, and that was to reaffirm their belief and approve of what the amendment was intended to do but unfortunately has not done for our country.

Other resolutions adopted by our school superintendents during the past few years are interesting as throwing some light on the actual workings of national prohibition in our country. In 1923, three years after the adoption of the eighteenth amendment, this organization of educators urged teachers to inculcate obedience to established law.

In 1924 this organization says:

We recognize that our civilization is in danger of being undermined by the failure of our people to observe the laws of our country and the communities in which they live.

In 1927 this same organization urges teachers to teach respect for law and order.

Not until the eighteenth amendment was written into the Constitution of the United States did these educators feel concerned about disobedience to law and feel compelled to

urge upon the teachers of this country the necessity of teaching respect for law. Such action on the part of our school superintendents was rendered necessary by the growing disrespect for law in our country that began to develop about one year after the commencement of our national prohibition era.

Of course, the great question before the people to-day is not as to the principles of the eighteenth amendment or to the pious reforms it was intended to accomplish in this country but rather how has it worked out; in other words, what are the fruits of national prohibition?

When the members of this House vote on next Monday to discharge the Judiciary Committee from a further consideration of an amendment to repeal the eighteenth amendment, they will not be voting on theory and promises, but they will be voting as they view the cold facts indicating the complete breakdown of national prohibition.

Of course, this resolution on the eighteenth amendment recently adopted by our school superintendents in Washington was sent to the Members of this House by the prohibition advocates for propaganda purposes.

Its large headlines were intended to deceive the casual reader and to intimidate some of the Members of this House who have yet to reach a decision as to how they will vote when the proposal to amend the eighteenth amendment comes before this body for consideration. It will fail of its purpose, because the misrepresentation and deception will be detected.

The friends of national prohibition may continue their propaganda; they may continue to misrepresent in headlines in the public press the contents of reports and resolutions concerning the eighteenth amendment, but their efforts will be in vain.

American public opinion as regards our liquor problem is on the march toward the goal of a restoration of this problem to the various States for solution. The foolish attempt to regulate the social lives of our peoples by law under one standard has proven to be a dismal failure.

RECESS

Mr. RAINEY. Mr. Speaker, I move that the House do now stand in recess until 8 o'clock this evening.

The motion was agreed to; accordingly (at 4 o'clock and 48 minutes p. m.) the House stood in recess until 8 o'clock p. m.

EVENING SESSION

The recess having expired, the House was called to order by the Speaker pro tempore, Mr. BANKHEAD.

The SPEAKER pro tempore. Under the unanimous-consent agreement heretofore entered into, the House is in session until 10.30 p. m. for the purpose of considering bills on the Private Calendar unobjected to, beginning at the double star.

STATEMENT ON ANTI-INJUNCTION BILL

Mr. HARLAN. Mr. Speaker, I ask unanimous consent to speak for half a minute out of order to correct an item in the RECORD.

The SPEAKER pro tempore. Under the unanimous-consent agreement the time is to be devoted exclusively to the Private Calendar.

Mr. STAFFORD. I think the gentleman had better take that up in the morning.

Mr. BLANTON. If it does not affect the Journal, the gentleman has the right to correct it at the desk.

The SPEAKER pro tempore. The gentleman from Ohio only desires to make a brief statement. Is there objection? There was no objection.

Mr. HARLAN. Mr. Speaker, this has reference to the roll call on the LaGuardia bill. I had a speaking engagement yesterday evening when the vote was taken on the anti-injunction bill, and it was practically impossible for me to be present. However, it was apparent in the House that nearly everyone was in favor of the bill and there was no possibility of its defeat. I found to-day that I was paired with the gentleman from Ohio [Mr. LAMNECK], but it was later announced by the gentleman from Illinois [Mr. RAINEY]

that Mr. LAMNECK was in favor of the bill, and on the record it looks as if I were opposed to the bill. I wish to say that if I had been present I should have voted for the bill, and that if there had been the slightest chance of the defeat of the bill I would have been present regardless of any engagement.

C. M. WILLIAMSON ET AL.

The Clerk read the first bill on the Private Calendar, H. R. 4391, for the relief of C. M. Williamson, Mrs. C. E. Liljenquist, administratrix, Lottie Redman, and H. N. Smith.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Reserving the right to object, I would like to have some explanation from the author of the bill.

Mr. SMITH of Idaho. Mr. Speaker, in view of the fact that this bill has twice passed the Senate, has been twice favorably reported by the House committee, and the further fact that one of the claimants is sitting in the gallery, where he has been sitting through four consecutive sessions of Congress waiting for a hearing, I ask unanimous consent that I may make a brief statement.

Mr. STAFFORD. I yield to the gentleman for that purpose.

Mr. SMITH of Idaho. This bill is for the relief of four settlers on the Fort Hall irrigation project who entered into a contract, along with other people on this project, with the Government to place water on their land.

When the project was under construction and the laterals were being laid out, it was found that these people lived on a small rise in the land, which made it impossible to bring the water by gravity to the land.

Consequently, while waiting for the Government to fulfill its contract, they purchased an electric pump and pumped the water on the land for nine years, and when the Commissioner of Indian Affairs on reconsideration concluded that the contract required that water be placed on the land, water was placed on the land without additional expense to the settlers.

During the time that they were having to pump the water the settlers paid for the annual operation and maintenance charges required of all water users and, in addition, incurred expense of buying a pump, and paying monthly for the electric power to pump the water.

They come now to Congress, because there is no other tribunal to hear their case, and they appeal to Congress to reimburse them for the amount of money they expended in bringing water to the land which the contract required the Government to do.

Mr. BLANTON. Will the gentleman permit me to ask a question?

What is the gentleman going to say to the House about this adverse report by the Secretary of the Interior, which says that the facts in this case do not place the Government under any obligation to pay these landowners the sums expended by them in constructing and operating pumping machinery for their own private benefit? The Secretary recommends that the bill do not receive favorable consideration. That comes from the Secretary of the Interior, and the gentleman from Idaho, who is a strict party man—and I admire him for that—must have seen in the paper this morning the castigation that the President has given Congress for not taking steps to reorganize matters and stop extravagance and expenditures where they ought to be stopped.

This bill involves over \$8,000. If this is a just debt, it ought to be paid, but the Secretary of the Interior who has had charge of the whole matter, who made the contract with these people, who knows more about it than anybody else, who has his men on the ground, says it is not just, says there was no obligation on the part of the Government to refund these people for furnishing a pump for their own private benefit, and he recommends that the Congress do not pass it. What are we going to do in a case like that?

Mr. SMITH of Idaho. But the reason we come to Congress for relief is because the Secretary of the Interior takes that position. We contend that the Congress is superior to the Secretary of the Interior in a matter of this kind.

Mr. BLANTON. There is just as much responsibility resting on the shoulders of the gentleman from Wisconsin [Mr. STAFFORD] and the other members of the Republican administration to stop the waste and to balance the Budget as there is on anybody else.

Mr. STAFFORD. The reservation of objection has been made. Mr. Speaker, I have gone over this most carefully and for the reasons set forth in the letter of the Commissioner of Indian Affairs dated June 8, 1929, I feel constrained to object.

Mr. SMITH of Idaho. Has the gentleman read the contract which is printed in the report between the Government and these individuals, wherein the Government agreed to deliver water to these lands?

Mr. STAFFORD. I read the copy of the contract as set forth on pages 2 and 3. I object.

CAPT. W. B. FINNEY

The next business on the Private Calendar was the bill (H. R. 1296) for the relief of Capt. W. B. Finney; and there being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay to Capt. W. B. Finney, of 920 Grand Avenue, Kansas City, Mo., the sum of \$479.14, out of any money in the Treasury not otherwise appropriated, to reimburse him for money paid out by him in line of his duties as captain Company A, Seventieth Regiment United States Infantry, Camp Funston, Kans.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

HEIRS OF THOMAS G. WRIGHT

The next business on the Private Calendar was the bill (H. R. 1996) for the relief of the heirs of Thomas G. Wright.

The SPEAKER pro tempore. Is there objection?

Mr. ALLGOOD. Mr. Speaker, this is a Civil War bill, and as chairman of the Committee on War Claims I ask unanimous consent that the bill be recommitted to the Committee on War Claims for further consideration.

The SPEAKER pro tempore. Is there objection?

Mr. BLAND. Mr. Speaker, I reserve the right to object.

Mr. STAFFORD. Mr. Speaker, I wish it understood that there is a reservation of objection to the consideration of the bill.

The SPEAKER pro tempore. The gentleman from Virginia is recognized.

Mr. BLAND. Mr. Speaker, this bill has passed the House on one occasion. It has been before the House, reported favorably from the committee, on two occasions. In the last Congress it was rejected. Having been placed now in a status for passage, I do not feel that I ought to permit the request to recommit to be granted. Is the gentleman going to object to the consideration of the bill?

Mr. ALLGOOD. This is a Civil War bill, and it inadvertently came out on the calendar from the old Congress. I want to put it on all fours with Civil War matters. I should have to object.

Mr. BLAND. This party has been waiting a long time for the settlement of his claim.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama that the bill be recommitted to the Committee on War Claims?

Mr. BLAND. Is the gentleman from Wisconsin going to object to the consideration of the bill?

Mr. STAFFORD. Yes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

MAJ. LESTER L. LAMPERT

The next business on the Private Calendar was the bill (H. R. 2572) for the relief of Maj. Lester L. Lampert.

The SPEAKER pro tempore. Is there objection?

Mr. COLLINS. Mr. Speaker, I object.

Mr. REILLY. Mr. Speaker, will the gentleman reserve the objection?

Mr. COLLINS. Yes.

Mr. REILLY. This bill was first introduced by the late Florian Lampert for the relief of Major Lampert. It was passed by this House in the Seventieth Congress and has been passed by the committee twice. It is recommended by the War Department. There is no doubt at all about the liability of the Government for the damages which this officer suffered by the destruction of his own personal property in a cyclone in Texas while he was engaged in saving Government property.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. COLLINS. Yes.

Mr. BLANTON. My investigation of this case shows that this officer did save property for the Government and did splendid service. The claim is for less than \$500. I do not know whether my friend from Mississippi was closely associated with the late Florian Lampert or not. I was. He was one of the hard-working men of Congress. While I differed with him many times on policies while on the District Committee, yet I must say that there was not a more sincere, earnest, hard-working man in Congress than Mr. Lampert.

Mr. COLLINS. For the benefit of both of the gentlemen who have spoken for this bill, I will state that the War Department appropriation bill carries items of appropriation that could be applied to the payment of any claim for damages, provided the damages accrued while the man was actually engaged in saving Government property himself. This case must fall without that rule; otherwise it would have been paid prior to this time.

I have made it a rule to object to all bills of this particular type. If an officer, either in the Army or the Navy, wants protection against fire or cyclone, he can protect himself by taking out insurance, just like the gentleman can, or just as I would have to do. I do not see any reason for singling out Army and Navy officers and protecting them against loss by fire or by cyclone or against damages when they can protect themselves by the exercise of ordinary business judgment by taking out insurance as other citizens are required to do.

Mr. REILLY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. The Chair desires to state that if a bill is objected to it remains on the calendar.

Mr. STAFFORD. Mr. Speaker, I object.

IDA E. GODFREY

The Clerk called the next bill on the Private Calendar, H. R. 3033, for the relief of Ida E. Godfrey and others.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, this bill has been before the House of Representatives for a long time. The report of Secretary Weeks back in 1923 was not very favorable to the merits of the claim that this cranberry bog was set on fire by a Government locomotive. I will be glad to have the gentleman reporting the bill make further explanation as to the merits.

Mr. SINCLAIR. I will say to the gentleman that I reported this bill, and that by supplemental evidence before the committee after the report of Secretary of War Weeks was made I think it was very clearly proven that the locomotive operated by the Government did cause the fire and was responsible for the destruction of this bog.

Mr. STAFFORD. One of the evidentiary facts that inclined me to the opinion that it was not caused by a spark from the Government locomotive was that there was a space of more than 300 yards between the burned portion and the railroad tracks which were not affected at all.

Mr. SINCLAIR. That is in the first report made by the Army engineer, by those who were responsible for the fire, but it was proven to the satisfaction of the committee that there was not that space and that the fire did not jump that space, but that it ran right straight across.

Mr. STAFFORD. Upon the statement of the gentleman that later testimony showed that the facts which were before the Secretary of War when he wrote his report in 1923 were not correct, I will withdraw the reservation of objection.

Mr. BLANTON. Mr. Speaker, we want it understood, as it has always been understood, that where a bill has been reduced by a committee amendment the amendment is always to be accepted, and that there will be no attempt to override the committee amendment and still pass the bill in its original form.

Mr. SINCLAIR. I understand that has been the custom.

Mr. BLANTON. With that understanding, I shall not object.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ida E. Godfrey, of Cookstown, N. J., the sum of \$750, to the estate of Annie L. Davis, of Wrightstown, N. J., the sum of \$500, to Thomas N. Emley, of Cookstown, N. J., the sum of \$750, damages by fire on June 11, 1921, to certain cranberry bogs adjacent to the rifle range at Camp Dix, N. J.

Mr. STAFFORD. Mr. Speaker, I offer an amendment, which is at the desk.

The SPEAKER pro tempore. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: At the end of the bill insert the following:

"Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

W. J. SHIRLEY

The Clerk called the next bill on the Private Calendar, H. R. 3265, for the relief of W. J. Shirley.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COLLINS. Reserving the right to object, Mr. Speaker, from a reading of the committee's report, this claim should be \$60.77 instead of \$100. If the gentleman who introduced it is willing to amend it to comply with the amount recommended by a board of officers who made a thorough examination and recommended \$60.77, I shall not object. Otherwise, I will.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. J. Shirley the sum of \$100 in reimbursement for value of his personal property destroyed by fire in the military service of the United States at Brest, France, on the 21st day of July, 1919, and for which loss he was in no wise responsible.

Mr. COLLINS. Mr. Speaker, I offer an amendment, which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. COLLINS: Line 6, strike out "\$100" and insert in lieu thereof "\$60.77."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

OSCAR C. OLSON

The Clerk called the next bill on the Private Calendar, H. R. 3566, for the relief of Oscar C. Olson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of the Treasury of the United States, from any money not otherwise appropriated, to Oscar C. Olson, the sum of \$52.50, being compensation for loss on May 23, 1918, of his personal effects, baggage, and clothing while en route to France on the British ship *Moldarra*, under military orders, when said ship was torpedoed and sunk in the English Channel.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

GUY GOODIN

The Clerk called the next bill on the Private Calendar, H. R. 3568, for the relief of Guy Goodin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Guy Goodin, late of the construction division, Quartermaster Corps, the sum of \$484.50 as per diem allowance from September 26, 1919, to June 9, 1920, while on duty at McAllen, Tex., in the service of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CLARA E. WIGHT

The Clerk called the next bill on the Private Calendar, H. R. 3580, for the relief of Clara E. Wight.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, what is the policy of the committee in recommending a lump-sum appropriation to the mother of this former employee of the navy yard?

Mr. SINCLAIR. The mother would have been dependent upon this young man had he not died. The policy of the War Claims Committee is to allow a certain amount in cases of that kind.

Mr. STAFFORD. At the time of the death of the injured employee the widow was living, and for some time she drew the compensation as authorized by the compensation act.

In this case you are not voting any regular monthly allowance as authorized by the compensation law, but you are voting a lump-sum appropriation.

Mr. ALLGOOD. This is insurance. Instead of the full amount of insurance, \$5,000, this is the balance due on the insurance.

Mr. STAFFORD. Is there anything in the report which supports that position?

Mr. ALLGOOD. Yes.

Mr. STAFFORD. Where in the letter of the Secretary of the Navy does it appear that this is insurance?

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I have reserved the right to object in order to get information.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I object.

HARRIET M. MACDONALD

The Clerk called the next bill, H. R. 3703, granting compensation to Harriet M. MacDonald.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. EATON of Colorado. Mr. Speaker, reserving the right to object, I want to ask the author of the bill whether he will consent to an amendment in line 7 striking out the words "and insurance benefits"?

Mr. BOLTON. I will be glad to accept such an amendment.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 200 of the World War veterans' act, 1924, as amended, the Administrator for Veterans' Affairs is authorized and directed to pay to Harriet M. MacDonald, formerly a nurse, such compensation and insurance benefits, effective October 31, 1929, as she would have been entitled had she been an American citizen at the

time of her embarkation with the American Expeditionary Forces; and that she be entitled to hospitalization and such other benefits provided in the veterans' acts for members of the Nurse Corps.

Mr. EATON of Colorado. Mr. Speaker, I offer an amendment. On page 1, in line 7, strike out the words "and insurance benefits."

The SPEAKER pro tempore. The gentleman from Colorado offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. EATON of Colorado: Page 1, line 7, strike out the words "and insurance benefits."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

CLARA E. WIGHT

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent to return to Private Calendar No. 152, H. R. 3580, for the relief of Clara E. Wight, a bill to which I just objected.

The SPEAKER pro tempore. The gentleman from Wisconsin asks unanimous consent to return to the bill referred to by him. Is there objection?

There was no objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, the author of the bill informs me—which confirms the statement made by the gentleman from Alabama—that these are insurance funds; that the widow obtained a certain amount, and that the \$3,360 is the balance due on the \$5,000 policy. It is shown, though not very clearly, in the letter of the Secretary of the Navy that the claimant did not put in her application until the statute of limitations had run.

Mr. ALLGOOD. That is right.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Clara E. Wight the sum of \$3,360 in full compensation for the death of her son, Ralph L. Wight, who was a civilian employee of the Navy, and was overcome by gas and burned while working in submarine S-44 at the navy yard, Portsmouth, N. H., on January 10, 1919, as a result of which he died January 15, 1919.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

HERMAN H. BRADFORD

The Clerk called the next bill, H. R. 4039, for the relief of Herman H. Bradford.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COLLINS. Mr. Speaker, reserving the right to object, the committee makes its report on this bill recommending that \$451.55 be paid this claimant, but the bill has never been amended by the committee reducing the amount from \$1,348.10 to that amount. In other words, the bill as proposed here does not carry out the recommendation of the committee.

Mr. HOUSTON of Delaware. Mr. Speaker, I have no objection to such an amendment.

Mr. BLANTON. Mr. Speaker, I will further state to our friend that the usual attorney's fees clause should be added at the end of the bill, and I shall offer such an amendment.

Mr. HOUSTON of Delaware. I have no objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Herman H. Bradford, late No. 1747092, private, Company G, Three hundred and twelfth Infantry, United States Army, out of any money in the

Treasury not otherwise appropriated, the sum of \$1,348.10, said sum to be in full and final settlement for his services in said Army from March 31, 1918, to July 2, 1921, and from March 23, 1928, to June 25, 1928, and for loss of clothing and money taken from him at Fort Du Pont, Del., and not returned, about March 23, 1928.

Mr. COLLINS. Mr. Speaker, I offer the following amendment: On page 1, line 8, strike out "\$1,348.10" and insert "\$451.55."

The SPEAKER pro tempore. The gentleman from Mississippi offers an amendment, which the Clerk will report. The Clerk read as follows:

Amendment offered by Mr. COLLINS: In line 8, strike out the figures "\$1,348.10," and insert in lieu thereof the figures "\$451.55."

The amendment was agreed to.

Mr. BLANTON. Mr. Speaker, I offer an amendment which was suggested by the committee. In line 9, strike out the words "to July 2, 1921."

The SPEAKER pro tempore. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: In line 9, after the figures "1918," strike out "to July 2, 1921."

The amendment was agreed to.

Mr. BLANTON. Mr. Speaker, I offer another amendment. In line 10, strike out up to the comma following "June 25, 1928," and insert in lieu thereof "to February 7, 1919."

The SPEAKER pro tempore. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: In line 10, after the figures "1928," strike out "to June 25, 1928" and insert in lieu thereof "to February 7, 1919," so that as amended it will read, "said sum to be in full and final settlement for his services in said army from March 31, 1918, to February 7, 1919."

The amendment was agreed to.

Mr. BLANTON. Mr. Speaker, I offer the usual attorney's fees amendment.

The SPEAKER pro tempore. The gentleman from Texas offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: In line 12, after the figures "1928," strike out the period, insert a colon, and add the following:

"Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

META DE RENE M'LOSKEY

The Clerk called the next bill on the Private Calendar, H. R. 4199, for the relief of Meta De Rene McLoskey.

Mr. SCHAFER. I object, Mr. Speaker.

Mr. LUDLOW. Mr. Speaker, will the gentleman withhold his objection?

Mr. SCHAFER. I reserve an objection.

Mr. LUDLOW. Mr. Speaker, among the thousands of cases that have engaged the humanitarian activities of the American Legion I am sure I am quite right in saying that none is closer to the heart of the Legion than this particular case. This is the case of a boy who disappeared from the face of the earth in 1918, and there is every reason to believe he died at that time. This is a bill to give his mother the benefit of his insurance which was in force at the time of his disappearance and which was paid up until several months after his disappearance.

Capt. Watson B. Miller, whom we all know, representing the American Legion, and who, I am sure, has our entire respect, is so much interested in this case that he gave me a statement, with the privilege of reading it to the House, and I should like to do that. Captain Miller says:

The documentary evidence in the case, consisting to some extent of letters from the boy to his mother immediately after entering the service, nowhere gives a picture of a man who would desert and step out of his responsibilities and away from his relatives. I have seen several hand-written letters from the veteran expressive of loyalty and love, as well as patriotism. I can't set up the contention that I believe this boy was killed in France, although there is in the picture a possibility that he went over with the identification tags of some other soldier and, for all I know, he may be buried there under another name.

It is an extremely baffling case. The mother and father are aged and I am truly of the opinion that justice would be served by the approval of a statute granting the Government insurance to the beneficiary. I have in my possession the great amount of minutiae and correspondence concerning the effort to locate this boy or to ascertain his fate. I can't prove that he was killed or died while his policy was current as to premium payments, but after an experience of 10 years in contact with hundreds of thousands of cases which pass over our desks here, I can't believe that he deliberately deserted the service. I am deeply convinced that there are some strong considerations of equity involved in the situation.

In this connection, may I please say that, having headed up the effort for the disabled on the part of the American Legion very nearly since the beginning, I have never seen fit to attempt to advocate more than half a dozen special measures for relief of veterans or veterans' dependents. Of course, there are many hundreds of claims as to which we can not secure settlement administratively, and I might ask for legislative consideration for many of them, but it has not been my policy to do so.

This case has enlisted my deep interest and sympathy. I truly think that no violence would be done by permitting the bill to pass. It is unnecessary for me to tell you that I have no relationship or even close contact with the mother of this soldier. In point of fact, I have never seen her.

So Captain Miller, who goes into these cases with the most extreme care, and whose services to humanity merit our highest tribute advocates the passage of this bill and enumerates it as among six, and only six, in his long and useful career that he has brought to the attention of Congress.

Mr. SCHAFER. Will the gentleman yield there?

Mr. LUDLOW. I yield.

Mr. SCHAFER. The records show that this man entered the military service on March 29, 1918, and disappeared while assigned to a station in this country on May 7, 1918.

Mr. LUDLOW. That is right.

Mr. SCHAFER. He was in the service about 40 days and the gentleman and Capt. Watson Miller ask the Congress to vote out of the insurance fund in which all of the veterans carrying insurance are interested \$10,000, without one scintilla of evidence indicating that this man is not a deserter. Would the gentleman be willing to pass general legislation paying \$10,000 war-risk insurance in the case of every veteran carried on the records of the War, Navy, and Marine Corps as deserters because they had disappeared and seven years have elapsed since their disappearance?

Mr. LUDLOW. I will say to the gentleman that if his insurance was in force at that time, as the record shows it was, the time he was in the service is not the controlling factor. Furthermore, there is not a scintilla of evidence in the entire record to show that this soldier was a deserter. There is every reason to believe he died in May, 1918.

Mr. SCHAFER. Mr. Speaker, this is the most indefensible bill I have ever seen on this Private Calendar. The last argument of the gentleman could with equal force be applied to every veteran or member of one of the regular establishments who disappeared and is now carried on the records as a deserter.

JOLIET NATIONAL BANK, COMMERCIAL TRUST & SAVINGS BANK, AND H. WILLIAM, JOHN J., EDWARD F., AND ELLEN C. SHARPE

The Clerk called the next bill on the Private Calendar, H. R. 4355, for the relief of Joliet National Bank, Commercial Trust & Savings Bank, and H. William, John J., Edward F., and Ellen C. Sharpe, of Joliet, Ill.

Mr. BLANTON. Mr. Speaker, reserving the right to object, I want to call attention to the report made by the Shipping Board.

The report states that the claim of the Joliet National Bank, and so forth, has been rejected repeatedly; in fact,

both the War Department and the Shipping Board granted rehearings and gave them every opportunity to submit facts and arguments; and it goes on to show that there is no merit in this claim, Mr. Speaker; this bill seeks to take out of the Treasury \$86,163.21, and I object.

Mr. COX. Will the gentleman withhold his objection?

Mr. SINCLAIR. Will the gentleman from Texas reserve his objection?

Mr. BLANTON. Certainly; for the gentleman to speak. But I shall object, as this \$86,163 should not be taken from the Treasury.

Mr. SINCLAIR. I will say to the gentleman this bill has been given very careful hearings, and the evidence shows conclusively that this old man, Sharpe, went to the two banks and borrowed money at the instance of the War Department.

Mr. BLANTON. I will state to my friend that the War Department gave a careful hearing and it gave a careful rehearing, and turned it down once and then turned it down twice. The Shipping Board has given a careful hearing and a careful rehearing.

Mr. SINCLAIR. If the gentleman will permit, the only time they turned it down once was when it was improperly before them.

Mr. BLANTON. It first turned it down and then granted them a rehearing and then turned it down again.

Mr. SINCLAIR. I had not heard about that.

Mr. BLANTON. And the War Department turned it down and gave a rehearing and turned it down again.

Mr. SINCLAIR. The evidence in the matter discloses that a representative of the War Department went with this man to the two banks and helped him to borrow \$25,000 from one bank and \$15,000 from another bank in order to enlarge his plant and take on contracts to manufacture forgings at the instance of the department.

Mr. COX. Will the gentleman from Texas yield?

Mr. BLANTON. Certainly.

Mr. COX. I want to say that in spite of the finding of the War Department this is a just claim and one that ought to be paid, because the agents of the Government, if the gentleman will take the time to examine the records in the case, blackjacked this bank and these others into the making of these loans to this concern which they had threatened to take over unless they enlarged their plant.

Mr. BLANTON. I will state to my friend that I regret it very much, but I shall be compelled to object.

Mr. COX. There have been a number of hearings held and they have arrived at the conclusion embodied in the report, after becoming fully advised of the action taken by the War Department.

Mr. BLANTON. I am a personal friend of the author of this bill, but I must object.

Mr. SINCLAIR. As a matter of fact, I may say to the gentleman from Texas, the bill passed both Houses, but failed of enactment on account of the jam at the end of the session.

Mr. BLANTON. I will admit that I am the objection goat.

Mr. COX. The gentleman was picked out last year.

Mr. BLANTON. I regret to object, but we should not let this bill pass.

Mr. COX. The author of the bill is ill and can not be here to-night. In view of that fact, will not the gentleman ask that the bill go over?

Mr. BLANTON. No. I must object.

Mr. O'CONNOR. Mr. Speaker, I object.

THE CONCRETE STEEL CO.

The Clerk read the next bill on the Private Calendar, H. R. 4407, for the relief of the Concrete Steel Co.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Reserving the right to object—

Mr. SOMERS of New York. Let me say to the gentleman that this seems to me to be a perfectly proper claim. It has been before Congress for some time. The gentleman from South Carolina [Mr. HARE], a good attorney, has given it careful consideration. These people had a contract to fur-

nish steel to the Caldwell-Marshall Co. That company went into bankruptcy. The material was furnished them to use in the construction of barges for the Government.

Mr. STAFFORD. In reading the report I was influenced by the fact that they entered into an adjustment with the Government for the settlement of this claim. The attorney was present. The Government made a settlement, and as evidenced by a letter from the Director General of the Railroad Administration, they settled it for \$30,000, and this claimant received his portion of that amount in full settlement of the matter in dispute.

Mr. SOMERS of New York. There is a question that you must decide. The attorney vigorously protested against that forced settlement.

Mr. STAFFORD. Now, that attorney has reversed himself, when he said it was in full settlement. I object.

KENNETH A. ROTHARMEL

The Clerk read the next bill on the Private Calendar, H. R. 4811, a bill for the relief of Kenneth A. Rotharmel.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. I reserve the right to object. I notice there is no letter from the War Department that shows that this individual after he resigned from the French Army, held a commission issued by the American Army.

Mr. CHINDBLOM. This claimant had enlisted in the French field service in Paris, and, after serving several months in the ambulance field service, he enlisted in the Lafayette Flying Corps of the French Army, attending their flying schools and training camps. A board of three majors of the American Army visited the camp in September, 1917, asking the claimant and other American flyers in the French service to transfer to the American Army for the purpose of forming a nucleus for the American aviation units. Said board advised claimant that arrangements had been made with the French Army to release him and it would require about two weeks for the transfer and issuance of commissions promised to be arranged.

The claimant executed the forms requesting his release from the French Army, submitted to a medical examination by the said board of majors, who passed and accepted him for the American Army. The board directed him to stay with the French Army until the commissions and orders came through. He continued his service with the French Army with the Lafayette Flying Corps until February, 1918, when he was given his release. The expected American orders did not arrive until April 4, 1918. During the period from January 26, 1918, to April 4, 1918, by reason of the above arrangements and the delay, the claimant received no pay or compensation of any sort, either from the French or the American Army, although he served constantly in actual combat during that period in the French Army.

On April 4, 1918, he was advised there were too many first lieutenants in the Air Service; that the promise of a first lieutenancy made to him in September, 1917, by the board of majors was canceled, and he was sworn in as a second lieutenant in the American Army on April 4, 1918, the commission referred to above, and received pay as a second lieutenant in the American Army after April 4, 1918.

Mr. BLANTON. It is a fact that our boys, because at first we had no Air Service over in France, enlisted in the French Escadrille?

Mr. CHINDBLOM. That is true.

Mr. STAFFORD. During the interim for which the bill seeks to remunerate him he was actually in the French service.

Mr. CHINDBLOM. Yes. This bill has passed the House three times, and this time I hoped to get it through in time to have it passed in another body.

Mr. STAFFORD. Mr. Speaker, in view of the explanation by the author of the bill, I withdraw the reservation.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Kenneth A. Rotharmel,

of the city of Chicago, in the county of Cook, and State of Illinois, the sum of \$433.50 in full compensation for arrears to pay, including regular pay, foreign-service pay, and flying pay, during his military service under appointment and commission as a second lieutenant, aviation section, Signal Officers' Reserve Corps, from January 26, 1918, to April 4, 1918.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. CHINDELOM, a motion to reconsider the vote was laid on the table.

GEORGE B. MARX

The next business on the Private Calendar was the bill (H. R. 4854) for relief of George B. Marx.

The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. I object.

Mr. HANCOCK of New York. Mr. Speaker, will the gentleman reserve his objection?

Mr. BACHMANN. Yes.

Mr. BLANTON. If the gentleman will permit, the War Department has found on an audit that there is actually due this party much less than the amount claimed in the bill.

Mr. HANCOCK of New York. That is correct.

Mr. BLANTON. The gentleman should reduce the amount in the bill.

Mr. BACHMANN. Oh, the committee has already recommended that amendment and I still object to that amount, because the Secretary of War is opposed to the passage of this bill. The Judge Advocate General has found against the merits of the bill. In addition to that, the attorney for the claimant, when he received \$139,000 on this claim, admitted it was in full settlement. I can not see any justice now in coming back and asking the Congress as a mere matter of grace to pay \$76,000.

Mr. HANCOCK of New York. I will be very glad to explain that feature of the bill.

Mr. BACHMANN. I reserve the objection.

Mr. HANCOCK of New York. It is a fact that this is an effort to obtain equitable relief. The claimant in this case probably has not a good case in a court of law. Settlement was made, but it was a partial settlement, made as such, and understood as such by both parties, but, as we all know, to get any money from the Government it is necessary to sign releases and satisfactions, and as a matter of fact I think everybody in this room has signed a receipt in full for salary for a year in advance. If the gentleman will read the affidavits in the last part of the report made by the two captains of the Signal Corps, who negotiated the settlement, it will be clear to him then that it was only a partial settlement. At the time the settlement was made, General Carmichael refers to the audit as having been based on numerous errors. The War Department did reaudit this claim, because they were so impressed with the fact that an injustice had been done.

That reaudit was made; and as the gentleman from Texas [Mr. BLANTON] has pointed out, they found that a balance of some \$58,000 is actually due and owing. This man wants nothing except payment of an honest debt. We all feel that the Government should be as honorable in its dealings with citizens as citizens are compelled to be with each other. This money is due and owing. That can not be contradicted. The only defense is a technical defense which the Judge Advocate General naturally raises as the law officer. He says there is no legal claim, and that it rests entirely with the grace of Congress. This is the last court of appeal. The man has no recourse except in Congress. You can not get equity anywhere against the Government except through Congress.

Mr. BACHMANN. This claimant was represented by an attorney before the War Department and they agreed on a settlement for \$139,000.

Mr. HANCOCK of New York. The gentleman is in error.

Mr. BACHMANN. I direct the gentleman to page 12 of the report, signed by Colonel Stallings, chief, civil affairs,

section No. 2, of the Army. I read from the last paragraph of the report:

This statement by the attorney for Mr. Marx is a confession that in his opinion the settlement is legally binding upon the parties.

Mr. HANCOCK of New York. That has no reference to the original settlement that was made. That has reference, however, to this bill which is now before Congress.

Mr. BACHMANN. Is it not a fact that Mr. Marx, represented by an attorney, agreed with officials of the War Department to accept \$139,000 in round numbers, and that money was paid?

Mr. HANCOCK of New York. That is the amount that was paid in partial payment in 1919.

Mr. BACHMANN. And now, some 12 or 13 years afterwards, he comes to Congress and asks Congress to pay an additional \$76,000 which has been reduced to \$58,000. I think, in the first place, the claim is too large to be handled here on the Private Calendar, where quick consideration must be given to items of this kind.

Mr. HANCOCK of New York. An immense amount of testimony has been produced, and it was carefully studied by the War Department and by the Committee on War Claims. It is true that it has taken 12 or 13 years to reach this point, and because of that I am extremely reluctant to have all that effort and work thrown into the discard, because proper attention can not be given on this floor to the merits of the bill.

Mr. BACHMANN. Does not the gentleman think that this is a just claim?

Mr. HANCOCK of New York. I am certain that it is a just claim.

Mr. BACHMANN. If it is a just claim, in addition to the \$139,000 already received, I think we ought to take this matter up with the War Department, that has all the facts, and get a favorable report from the Secretary of War, who has gone over it, who has all these accounts before him, who is familiar with the original settlement, rather than come here before Congress and in a few minutes ask the House for that sum of money.

Mr. HANCOCK of New York. May I read just a sentence from the report of the committee?—

After repeated efforts to have the claim reaudited, the War Department finally, on January 19, 1929, consented to a reaudit, with a view of determining to what extent, if any, the contractor was inadequately compensated. The War Department auditor found that Marx was entitled to an additional sum of \$58,259.02, the amount carried in the present bill.

Then it quotes Judge Advocate General Carmichael.

Mr. BACHMANN. Who finds against that holding?

Mr. HANCOCK of New York. No; that is not so.

Mr. BACHMANN. He does not recommend payment of this claim.

Mr. HANCOCK of New York. I wish the gentleman would take time to read this report.

Mr. BACHMANN. I have read the report two or three times.

Mr. HANCOCK of New York. I do not want to take the time of the House in this manner. If the gentleman will withhold his objection and let me go into this a little more thoroughly, I think I can explain it to him.

Mr. BACHMANN. Mr. Speaker, I object.

STANLEY A. JERMAN, RECEIVER

The Clerk called the next bill on the Private Calendar, H. R. 5185, for the relief of Stanley A. Jerman, receiver for A. J. Peters Co. (Inc.).

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. EATON of Colorado. Mr. Speaker, I object.

STANTON & JONES

The Clerk called the next bill on the Private Calendar, H. R. 5738, for the relief of Stanton & Jones.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, I object.

WARREN BURKE

The Clerk called the next bill on the Private Calendar, H. R. 4103, for the relief of Warren Burke.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I would like some explanation of this bill. I have it marked for qualified objection, which means subject to some explanation.

Mrs. KAHN. If the gentleman has read the report—it was reported unanimously by the Committee on Naval Affairs. There is a report from the Navy Department recommending its passage.

Mr. STAFFORD. But what does it seek to do? Will the gentleman from Pennsylvania [Mr. COYLE] supplement the information given by the lady from California?

Mr. COYLE. May I explain to the gentleman this young man was serving as an aviator on one of the big airplane carriers. He was in the Naval Reserve but was assigned to regular duty as an aviator on one of these big carriers and was serving for nearly a year in exactly the same status as if he had been in the regular service.

At the time they were launching a large number of planes from the deck of the carrier. All of the motors were turning over at the same time. He either lost his balance or was blown from the cockpit of his plane as he tried to climb into it, and was blown back into the propeller of the plane immediately in the rear of him, and his arm was taken off at the shoulder. His status as a naval reservist does not entitle him to retirement pay. He is not entitled to any compensation, because it was not in war time, but, just as much as any man serving with a regular commission in that rank, he was doing his part, and he is seriously damaged for the rest of his life.

Mr. STAFFORD. Is not this measure on all fours with the emergency officers' relief proposal, seeking to give to the reservist the same retirement privileges as if they were in the enlisted Army?

Mr. COYLE. I can not follow the gentleman that far, because the emergency officers' retirement was a measure for war-time officers. This is a measure for a young peace-time officer serving in the aviation service.

Mr. STAFFORD. Now, the gentleman has given considerable thought to this subject. Suppose a national guardsman during encampment maneuvers suffers an injury; would the gentleman say he was entitled to three-quarters pay?

Mr. COYLE. If the National Guardsman was called into the Federal service for regular duty and not for training, then I should say he was entitled to similar benefits.

Mr. STAFFORD. But this young man, as I understand, was not in training to be called into the regular service.

Mrs. KAHN. Yes. He had been for a year on the *Saratoga*. He had been in regular service on the *Saratoga*. He was there for a whole year.

Mr. STAFFORD. But merely in training.

Mrs. KAHN. They were short of aviators. He was in active service.

Mr. STAFFORD. I want to get this clear, because this establishes a principle. In the Army we send men in the Reserve Officers' Training Corps service to the various camps for training for three months or six months and the like. Is it purposed that when they are injured in that service we are going to retire them on three-quarters pay?

Mrs. KAHN. This is entirely different.

Mr. STAFFORD. But this is a comparable service.

Mrs. KAHN. May I read the last paragraph of the report from the Secretary of the Navy?

The status of Ensign Burke at the time of his injury was materially different from that usually occupied by reserves. He was a qualified naval aviator and was performing active duty with the Battle Fleet Air Squadrons. His orders to this duty contemplated continuous duty for one year, most of which had elapsed at the time of injury. While performing this duty he was not in a student status but was an active member of a combatant unit of naval forces performing duties identical with those required of officers of the regular service with similar rank. The effect of the assignment of Ensign Burke and other reserve officers performing similar

duty was to alleviate the shortage of naval aviators in the regular service and to bring up to required strength the active fleet aviation units.

Mr. STAFFORD. Then this could not be taken as a precedent for others in naval or military service who are being given training?

Mrs. KAHN. No. The Secretary of the Navy says:

In view of the exceptional circumstances of this case, the Navy Department recommends that the bill H. R. 4103 be enacted.

Mr. STAFFORD. Oh, they are very free with their recommendations.

Mr. SCHAFER. Will the gentleman yield for a brief question? I think I will have to object to the bill.

My colleague from Wisconsin has brought up a very pertinent point. Let us look at the facts in this case instead of looking at it in the light of sympathy. Take the officer personnel of the National Guard assigned to the border in 1916. That officer personnel was taken into the active Federal service. The captains were rendering the same service as Regular Army captains, and the lieutenants were rendering the same service as Regular Army lieutenants. Are we going to single out this one man, who has the same status as anybody else temporarily in the active military or naval service, and retire him on three-fourths of his base pay for the rest of his life, when we do not extend the same benefits to those in the National Guard and others who were temporarily in the active military or naval service of the United States and who were performing the same duties as officers in the Regular Establishment?

Furthermore, are we going to establish the policy, by special act of Congress, of granting relief to a naval reservist who has been injured in line of duty simply because he might have been called into the active service for two or three weeks or a year, and give him the status of a Regular officer, and if he is injured in line of duty retire him for the rest of his life at three-fourths of his base pay and fail to do the same for others having the same status? If that is the policy of the Naval Affairs Committee then I would suggest that they bring in general legislation, because I take the position that what is sauce for the goose should be sauce for the gander.

Mr. COYLE. Will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. COYLE. This boy lost his arm, and he is entirely disabled. I know that if an Army officer on the Texas border, while in Mexico in action, had lost his arm the gentleman would be the last one in the world to object to having that man taken care of.

Mr. SCHAFER. I positively would object to picking out one single officer and extending to him special benefits which you deny to the many officers having the same status, simply because some influential Member of Congress introduces a special bill. I do not believe in the policy of picking out one individual and giving him a special status that is not given to all others in the same class.

Mr. COYLE. If the gentleman will show me another boy who has lost his right arm at the shoulder I will be very glad to introduce a similar bill.

The regular order was demanded.

The SPEAKER pro tempore. Is there objection?

Mr. SCHAFER. Mr. Speaker, I object.

RELIEF OF CONTRACTORS AND SUBCONTRACTORS

The Clerk called the next bill (H. R. 793) to amend the act entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes," approved August 25, 1919, as amended by act of March 6, 1920.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GRISWOLD. Mr. Speaker, reserving the right to object, this would open up the way for numerous claims which accrued prior to the World War, would it not?

Mr. LANKFORD of Virginia. No. They have practically all been settled. There are only two or three of those old

claims left. This man's claim should have been taken care of with the others and he should have been paid. This is an old man. He took that contract and he lost his home by reason of it. He is now the object of charity. Practically all of these claims have been settled. Special bills were passed taking care of others similarly situated. This bill does not appropriate a cent. It simply gives this man the privilege of going before the Treasury Department and proving his claim. I hope the gentleman will not object.

As I have stated, this man is now the object of charity. He lost his home by reason of this contract. He was compelled to compete with cost-plus contracts and they simply took all of his labor and all of his material and ruined him. It is a just claim.

Mr. GRISWOLD. This would change the status of a lot of claims, according to the statement of the Treasury Department.

Mr. LANKFORD of Virginia. I inquired at the Treasury Department and I was informed there are few of these claims left.

Mr. GRISWOLD. The Treasury Department states in its report that this would open up the way for the allowance of other claims.

Mr. LANKFORD of Virginia. There are no more of those claims in existence, or, at least, very few of them.

Mr. BLANTON. If the gentleman will permit, the department does not make any recommendation.

Mr. GRISWOLD. However, the Treasury Department states that this will open up numerous claims.

Mr. LANKFORD of Virginia. This only gives him the right to prove his claim. This is about the only claim left, so it will not open up a lot of other claims. This will only give him the right to go before the Treasury Department and prove his claim if he can.

I am frank to say I doubt very much, after this lapse of time, whether he will ever be able to prove it, but it will be a great relief to him to have the bill passed.

Mr. GRISWOLD. I object, Mr. Speaker.

WALTER S. WEST

The Clerk called the next bill on the Private Calendar, H. R. 1700, for the relief of Walter S. West.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged marines Walter S. West, who was a member of Marine Guard, U. S. S. Marblehead, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of the United States Marine Corps on the 14th day of January, 1899: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

FRANK WOODEY

The Clerk called the next bill on the Private Calendar, H. R. 1804, for the relief of Frank Woodey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized and directed to accept for reenlistment in the Navy, Frank Woodey, 134-69-80, boilermaker, first class, and to immediately transfer him to the Fleet Naval Reserve in accordance with the laws existing at the time of his discharge from the naval service on the 10th day of February, 1922.

Mr. SUTPHIN. Mr. Speaker, I move to strike out the last word. As a Member of the Seventy-second Congress, elected in 1930 from the third district of New Jersey, a district which is perhaps as important, unusual, and interesting as any in our entire country, I wish to bring to your attention some of the existing conditions. Part of my district is highly industrial and contains some of the country's largest industries; another part is a rich agricultural section where the farmers largely engage in the raising of fruit and vegetables for the metropolitan markets. This section also pro-

duces annually a vast amount of poultry and eggs, which are widely distributed. There is also the seashore section of New Jersey, the playground of the East, which not only furnishes recreation and pastime for thousands of our citizens during the summer months but during the other parts of the year is the scene of great activity in the fishing industry. From this brief description of the district I know you will appreciate the diversified interests of my constituency. Since my election in 1930 I have spent a lot of time in finding out from the people of my district their views regarding the public issues of the day. Frankly and freely have we talked over problems, and the thoughts expressed to you to-day are what might be called the gleanings from conferences with members of both major parties.

Since I have been a Member of the House I have assisted in every way within my power to bring about the enactment of legislation which was thought would be helpful in relieving the depression, and especially the unemployment from which millions of workers are suffering through no fault of their own. We have put through what we know as the reconstruction program. We have passed the Reconstruction Finance Corporation act, an act designed to ease the strained situation of banks, building and loan associations, the railroads, and insurance companies; we passed the Glass-Steagall bill, to end deflation by easing the credit situation by thawing out frozen assets. We have assisted agriculture in numerous ways. In short, we have done what it was agreed might be done for the farmer, the banker, the railroads, and the big corporations; and I feel that the time has now arrived when some measures should be taken to relieve the distress of the working classes—in a word, to do something for the plain people.

How can this be accomplished? In my judgment it can be done, in so far as the Federal Government is concerned, by the enactment of legislation which will permit the laying down of a broad and comprehensive building program. But here we are up against the opposition of the President, for we find that he has issued instructions that no more authorizations shall be made for building projects.

The President states that he will veto our road construction bill, which will prevent the appropriation for Federal aid in highway construction. And, is it not true that only by the adoption of such projects as this can the Federal Government do anything toward providing work for men who are idle? This will also set an example to private industry, which should stimulate a revival that would provide a great deal more employment than the Government, in its necessarily limited sphere of activities, can ever be able to do. Only through such means can we assist labor, both skilled and unskilled, and help it over the depression, which has continued so long that it has taken as its toll the lifetime savings of hundreds of thousands of worthy families.

We hear a great deal said about living in a machine age and of its effect upon labor. We know that machines are doing work formerly done by man power. The measure of benefit that goes to the working classes as a result of construction projects is only a fraction of what it would be if we did not have the many wonderful inventions of to-day. In a road-construction job, for example, the number of men that could be employed would be very much greater were it not for the steam shovel and the concrete mixer.

I realize that the suggestion which I am about to make may seem a backward step, but in a situation as we have to-day, with millions of men begging for employment in order to provide food for their children, would it not be well to require upon every Federal construction project, whether road construction or building or what not, that machinery be replaced by man power in every possible instance? It might slow down construction somewhat; it might even make it a little more costly, though probably not greatly so; but it would do an infinite amount of good and be infinitely better for the working people, the class for which the Government has not yet legislated. It would give employment to thousands now idle, thereby providing food and fuel for thousands of families, and that is what must be done eventually by one means or another.

The Federal Government is faced with the greatest Treasury deficit in its history, at least in time of peace. For the last fiscal year it is in excess of a billion and a half. There is every indication that by the close of the present fiscal year on June 30 next the accumulated deficit for two fiscal years will be in the neighborhood of \$3,000,000,000.

This is a staggering sum. It has been accumulated during the administration of the President now occupying the White House, and he and his party must accept the responsibility therefor, because by no stretch of the imagination can it in any degree be charged to the party now in control of the House of Representatives. Nevertheless that party, my party, is confronted with the disagreeable duty of finding additional revenue through new or additional taxes with which to meet this deficit, balance the Budget, and preserve unimpaired the credit of the Federal Government.

This huge \$3,000,000,000 deficit is due, on one hand, to an enormous falling off in revenue from income and other taxes, and, on the other, to the orgy of expenditure which has been indulged in during the recent years; expenditures which have steadily mounted until for the last two fiscal years they have reached the staggering sum of \$5,000,000,000 annually.

To meet this deficit, at least in part, and to finally balance the Budget, the Ways and Means Committee of the House is now searching for new and additional sources of revenue. I desire here and now to express the hope that not one more dollar of new and additional taxes will be levied than is absolutely imperative, because we must never forget that we are going to levy these additional taxes at a time when they will constitute a very great hardship upon the taxpayers. All taxation is vexatious, but when taxes are levied at a time when the people are least able to pay they are doubly burdensome.

We hear a great deal about balancing the Budget, and I am in favor of balancing the Budget in a reasonable time, because we must do nothing that will impair our national credit in the slightest degree. But we do not have to balance the Budget to-day, or even this year. We should not lose sight of the fact that under this and the preceding Republican administrations a great deal was made about reducing the national debt. In seeking to make a record in that respect, the administrations of Presidents Hoover and Coolidge, and even that of President Harding, imposed more taxes than were necessary to pay the Government's running expenses, and in consequence found huge surpluses on hand, with which the national debt was reduced more than the law required.

The result is that we are more than six years ahead of the debt-retirement schedule, as fixed by law. Possibly that was justified when times were good and everybody was prosperous. But now that times have changed, now that the tax money is doubly hard for the taxpayers to find, would it not be wise to reduce our national-debt payments for two or three years, and to that extent ease the burden upon the people? If we do this we will still be two or three years ahead of the statutory requirements for debt reduction, and will have given the taxpayers the benefit of this relief at a time when they need it more than they have ever needed it in the past or probably ever will need it again.

Take the case of thousands of people in my district in New Jersey. As I stated earlier, the raising of fruits and vegetables is a most important industry. These producers are in difficult circumstances. They received very low prices for their products last year. Many of them did not make the cost of production. They are in difficulty. Taxes are more burdensome to them than they have ever been and the same is true of office workers and others we sometimes call the "white collar" class.

They should not be called upon to pay, and with my vote never will pay, a penny more in taxes than is absolutely necessary for governmental requirements. They are not concerned about income taxes, for many of them seldom, if ever, make enough to place them in the income-tax paying

class. But they pay many other taxes—their land, State, and local taxes; they pay heavy indirect taxes because of the tariff. To add special excise taxes or sales taxes or any other special taxes to what they are already paying would work a great hardship on many and might even help throw some of them into bankruptcy.

One of the pledges upon which the Democratic Party came into control of this body last December was that of the strictest economy possible in governmental expenditures. We are keeping that pledge, and whatever the sum total of appropriations for the next fiscal year may be, it will be many millions of dollars less than would have been the case had not the Democrats gained control of the House.

As I have already pointed out, Federal appropriations have mounted steadily during the last several years until the Seventy-first Congress appropriated more than \$10,000,000,000; more than \$5,000,000,000 for the cost of Government for each of the past two years. The people were staggered by the size of these appropriations. They protested, and their protests became effective at the polls. So it was that the Democratic Party came into control in the House, pledged to strict economy.

The record of the Democratic-controlled House and the Democratic-controlled Appropriations Committee, under the leadership of Chairman JOE BYRNS, of Tennessee, stands out like a beacon of hope. That committee and this House have not yet finished with the consideration of the annual appropriation bills, but they have gone far enough to have made a record that challenges comparison. The appropriation bills already passed by the House, or reported out by the Appropriations Committee, carry appropriations for approximately \$440,000,000 less money for the next fiscal year than the last Republican Congress passed for the same Government departments for the present fiscal year. That alone justified the faith which the people demonstrated in my party when they voted it into control of this body. But not only have we reduced appropriations under those made by the last session of Congress so as to effect a saving of over \$400,000,000, but we have actually reduced the appropriations recommended by the Budget Bureau and approved by the President by nearly \$115,000,000. And we are not yet through, for other appropriation bills remain to be considered, and additional savings will be effected which will compare favorably with those already made.

I am certain, too, that these savings have been made without impairing the efficiency of any activity of the Government in the slightest degree, for during even the relatively brief time I have been in Washington I have formed the opinion that many of the Federal departments are overly populated and that there is so much overlapping and waste that I firmly believe no private corporation could long exist if it managed its affairs in a similar manner. Convinced as I am of this fact, I have whole-heartedly supported the Democratic leadership in the House in the steps it has taken to cut out this overlapping, both with respect to the filling of vacancies in the Federal service and in the effort now being made to bring about consolidations and transfers that, it is hoped, will lessen the evil about which there is so much complaint.

Speaking generally, I know that the taxpayers of my district favor these efforts for retrenchment and economy, but I regret to say that there are a few individual cases where there is a complaint when a reduction or curtailment affects some activity of the Government in which they are particularly interested. Anxious as I am to please, I recognize that we can not play favorites and every Government department and bureau must share in this reduction, not only in the expenditures but sometimes in personnel, if real economy is going to be effected, and if the taxpayers are going to ever get any relief.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

PARRAMORE POST, NO. 57, AMERICAN LEGION

The Clerk called the next bill on the Private Calendar, H. R. 4515, extending the limit of time within which Parramore Post, No. 57, American Legion, may construct its memorial building and correcting street location.

Mr. BACHMANN. Mr. Speaker, reserving the right to object, I would like to inquire from the author of the bill whether or not this extension will bring about any expense on the Government?

Mr. STAFFORD. Why not inquire of the gentleman reporting the bill?

Mr. BACHMANN. All right; I will make the inquiry of the gentleman reporting the bill, but I thought the gentleman introducing the bill would prefer to explain it.

Mr. BLANTON. Mr. Speaker, if the gentleman will permit, several years ago I got Congress to pass an act granting Parramore Post of the American Legion in my home city of Abilene, Tex., the right to construct a memorial building on one corner of Federal Square. This entire square was donated to the Government. The corner upon which the Parramore Post got permission to construct its memorial building was the northwest corner, when it should have been the northeast corner, the use of which would not interfere with any of the rest of the use or activities of the Government in connection with the property. This bill extends the time and corrects the location and was approved by the Treasury Department, approved by the Post Office Department, and has the unanimous report of the committee. The committee gave me a hearing on the bill and reported it unanimously.

The reason Parramore Post did not construct their building within the time authorized by the former act was because there were years of depression, continuous droughts, and hard times in that section. They were hard hit financially, and they failed to raise the necessary money within the time required, but during the last few years they have been raising funds by giving entertainments and otherwise accumulating their building fund. This bill is simply to extend their time for construction and to correct the location.

Mr. BACHMANN. The gentleman assures the House that this extension will not cost the Government any additional money?

Mr. BLANTON. Not one dollar.

The SPEAKER pro tempore. If the gentleman from Texas will permit, the Chair desires to call the attention of the gentleman to the fact that the bill does not undertake to define the location of this post. The Chair would suggest that an amendment might perhaps be appropriate.

Mr. BLANTON. Mr. Speaker, this language has been deemed sufficient by all concerned, and there is but one Parramore Post, and I would not like to change the bill as approved by the department and the committee.

Mr. BACHMANN. Does not the bill substitute the words "west side of Walnut" for "east side of Pine"?

Mr. BLANTON. Yes; that definitely locates it at a certain point in Abilene, Tex., and it is perfectly satisfactory to all concerned.

Mr. BACHMANN. Is the gentleman satisfied with the bill in its present form?

Mr. BLANTON. Yes; I am.

Mr. BACHMANN. In view of the explanation, I have no objection.

Mr. BLANTON. I thank my friend from West Virginia and my other colleagues here for allowing the bill to pass. When I got the original act passed, our former good friend, the late distinguished gentleman from Illinois, Mr. Jim Mann, at first raised several objections to the bill, but after extended discussion he approved it, and he helped me materially to pass it. I will appreciate it very much if my colleagues will let this bill pass now, as it may be some time before this committee reporting the bill may have a call on Calendar Wednesday.

Mr. COLLINS. Mr. Speaker, reserving the right to object, does not the gentleman think this is a bad practice?

Mr. BLANTON. Mr. Speaker, I am not going to be razzed about a bill by my friend from Mississippi just because I am the author of it. This is a just and proper bill to allow

Parramore Post to construct their building. I feel sure the gentleman does not want to object to it, and now that he has razzed me about it, I hope he will let it pass.

Mr. COLLINS. I want to ask the gentleman a serious question: Does not the gentleman think it is a bad practice for post-office sites to be littered up with private buildings?

Mr. BLANTON. If the gentleman could see this big oversized block which was given to the Government without costing the Government a penny he would realize that this American Legion building will in no way interfere with Government needs and necessities.

Mr. COLLINS. Was the site donated by the municipality?

Mr. BLANTON. Yes; by the people of Abilene.

Mr. COLLINS. Then I have no objection.

Mr. BLANTON. I thank my friend from Mississippi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the limit of time within which Parramore Post, No. 57, American Legion, may erect its memorial building as provided in the act approved August 24, 1921, being Public, No. 70, Sixty-seventh Congress, be, and the same is hereby, extended three years from and after the date of the final passage and approval of this bill; and that said act be, and it is hereby, further amended by striking out in line 9 of said act the words "East side of Pine" and substituting therefor the words "West side of Walnut."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

M. A. SPRENGEL

The Clerk read the next bill on the Private Calendar, H. R. 6334, for the relief of Lieut. M. A. Sprengel, Supply Corps, United States Navy.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Reserving the right to object, although the allowance in this bill is very small, \$17.36, nevertheless, there is a principle which I think the House should consider before we pass this bill under unanimous consent. The Comptroller General withheld the item of this amount from this man's account because it was shown that he was ordered to play tennis. The law only authorizes the Navy Department to grant transfers as a basis for mileage for public business. Here they are seeking to override the determination of the Comptroller General, the directing officer of the Government in matters of this kind.

Mr. GAMBRILL. Mr. Speaker, I will say that this man was ordered from the naval station at Hampton Roads in 1927 to take part in a lawn-tennis contest at the Naval Academy at Annapolis. He was under orders to go there, he could not refuse, and incurred an expense of \$17.36. That amount was paid him by Lieutenant Sprengel, of the Supply Corps. That item has been disallowed by the Comptroller General.

The only question involved here is whether this was public business. The Comptroller General says that he was not engaged in the public business. But we must consider the situation of the supply officer, who has paid the man, and this involves no appropriation out of the Treasury of the United States.

Regardless of how you may consider the matter, this is not a controversy between the Navy Department and the Comptroller General. It is a question of whether this man was engaged in public business.

Mr. STAFFORD. Is it the gentleman's contention that going from Norfolk to Annapolis to play tennis is public business?

Mr. GAMBRILL. When he is ordered to go; yes. He could not refuse, he incurred this expense, and it was paid by the supply officer, and this is to credit the account of the supply officer.

Mr. BLANTON. Playing tennis is much more laudable than some other things that he might indulge in. This only involves \$17.36.

Mr. STAFFORD. I am at a loss to know what the gentleman from Texas refers to. Coming from Milwaukee, I know that there are some things indulged in by naval officers, but I do not know whether the gentleman, being a dry, refers to that or not. [Laughter.]

Mr. Speaker, I withdraw the reservation of the right to object.

The Clerk read the bill, as follows:

Be it enacted, etc., That the General Accounting Office is hereby authorized and directed to credit the accounts of Lieut. M. A. Sprengel, Supply Corps, United States Navy, in the amount of \$17.36, which amount represents payments made to Lieut. C. T. Simard, United States Navy, for mileage performed under orders of the Bureau of Navigation of the Navy Department dated May 21, 1927.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CAPT. CHESTER G. MAYO

The next business on the Private Calendar was the bill (H. R. 6337) for the relief of Capt. Chester G. Mayo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the General Accounting Office is hereby authorized and directed to allow the sum of \$115 in settlement of the accounts of Capt. Chester G. Mayo, Supply Corps, United States Navy, this sum being the amount paid by the said Captain Mayo on account of floral wreaths purchased in connection with the funerals of the late Congressmen Lemuel P. Padgett, Daniel J. Riordan, and James R. Mann, and disallowed by the General Accounting Office.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

G. W. WALL

The next business on the Private Calendar was the bill (H. R. 882) for the relief of G. W. Wall.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to have issued and delivered to G. W. Wall, of Spartanburg, S. C., a duplicate certificate of mutilated temporary coupon bond No. 13491081 for \$50 of the third 4½'s, the said bond having been partially destroyed: *Provided,* That the said G. W. Wall shall furnish, if the Secretary of the Treasury require it, a bond to hold the Government of the United States harmless against any loss that it might sustain by reason of said mutilated temporary coupon bond.

With the following committee amendment:

Strike out all after the enacting clause and insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem in favor of George W. Wall, of Spartanburg, S. C., United States temporary coupon bond No. 13491081 for \$50 of the third Liberty loan 4½ per cent per annum bonds of 1928, with interest from September 15, 1919, to September 15, 1928, without presentation of the upper portion of the bond, the lower portion of said bond having been presented to the Treasury Department with coupon No. 4, due March 15, 1920, attached: *Provided,* That the upper portion of the said bond shall not have been previously presented or ascertained to be in existence and that no payment shall be made hereunder for any coupons which may have been attached to the temporary bond other than coupon No. 4 mentioned above: *And provided further,* That the said George W. Wall shall first file in the Treasury Department a bond in the penal sum of double the amount of the principal of the said bond and the interest payable thereon from September 15, 1919, to September 15, 1928, inclusive, in such form and with such corporate surety as may be acceptable to the Secretary of the Treasury to indemnify and save harmless the United States from any loss on account of the mutilated bond hereinbefore described.

The committee amendment was agreed to, and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EDWARD BODECK

The next business on the Private Calendar was the bill (H. R. 2238) for the relief of Edward Bodeck.

The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. Mr. Speaker, I reserve the right to object. I think the Government employee in driving this truck was negligent. I think the claimant is entitled to some compensation, but I can not agree that the amount of compensation provided in the bill, \$5,000, is correct because, as I read the report, the injuries that the claimant received do not warrant the sum of \$5,000. I say this especially in view of the fact that the gentleman's committee is on record

as well as the Members of the House of granting only \$5,000 in case of death. This injury is not of such a permanent nature as to warrant the payment of \$5,000. I would have no objection if the chairman of the committee would agree to an amendment making the amount \$2,500 instead of \$5,000.

Mr. BLACK. Mr. Speaker, this is the bill of my colleague from New York [Mr. GRIFFIN], who is at present in a hospital in Washington. I do not know whether or not he would accept the suggested amendment. The injuries here were pretty serious. It was an outrageous piece of negligence on the part of the Army truck.

Mr. BACHMANN. I think there is no question as to the liability.

Mr. BLACK. Excepting for his negligence, the claimant would be a sound and well man to-day, and would not be seeking relief. He was badly battered up by the Army truck. He was on the sidewalk, and the truck was trying to pass another vehicle on the right side and went off on the sidewalk and struck this man and knocked him down. The man was in the hospital for some time, treated for several days. He had concussion of the brain and several other injuries. His eyesight is impaired. The original bill was for \$10,000 and the committee cut it to \$5,000.

Mr. BLANTON. Will the gentleman yield?

Mr. BLACK. Certainly.

Mr. BLANTON. I am sure our colleague, the gentleman from New York [Mr. GRIFFIN], would rather have the bill passed at this time even though reduced; and if it does not suit him, he can get it changed in the Senate, because this bill will not be reached again for a long time. I suggest that the gentleman from New York reach an agreement with the gentleman from West Virginia.

Mr. BACHMANN. Does the gentleman from New York believe, as chairman of the committee, and from the facts as he knows them, that this is a claim which would warrant Congress in paying \$3,500 instead of \$2,500?

Mr. BLACK. I feel that way, or I would not report the bill.

Mr. BACHMANN. I will accept the statement of the gentleman from New York if he will accept an amendment making it \$3,500 instead of \$5,000.

Mr. BLACK. Mr. Speaker, I accept the amendment.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of \$10,000 to Edward Bodeck, of New York, N. Y., on account of injuries sustained when struck by an Army truck November 8, 1928.

With the following committee amendment:

Line 6, page 1, strike out "\$10,000" and insert in lieu thereof "\$5,000."

Mr. BLACK. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. BLACK: Strike out "\$5,000" and insert in lieu thereof "\$3,500."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

Mr. BACHMANN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BACHMANN: On line 6, before the word "against," insert the words "of all claims."

The amendment was agreed to.

The SPEAKER pro tempore. The Clerk will read the remaining committee amendment.

The Clerk read as follows:

Committee amendment: Line 9, insert the following: "*Provided,* That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or

receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

EDNA B. ERSKINE

The Clerk called the next bill on the Private Calendar, H. R. 4406, for the relief of Edna B. Erskine.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLACK. Mr. Speaker, I move to table that bill. That bill should not have been reported.

Mr. BACHMANN. Mr. Speaker, will the gentleman yield?

Mr. BLACK. I yield.

Mr. BACHMANN. The bill should be stricken from the calendar. It became law at the last session.

Mr. BLACK. I made a motion last session to strike a bill from the calendar, under similar circumstances, and the Speaker ruled that the proper motion was to lay on the table.

The SPEAKER pro tempore. The question is on the motion of the gentleman from New York [Mr. BLACK].

The motion was agreed to.

INTERNATIONAL MANUFACTURERS' SALES CO. OF AMERICA (INC.)

The Clerk called the next bill on the Private Calendar, H. R. 5054, for the relief of the International Manufacturers' Sales Co. of America (Inc.).

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. I object, Mr. Speaker. This bill would unjustly appropriate \$968,748.12.

Mr. BACHMANN, Mr. ARENTZ, and Mr. COLLINS objected.

Mr. BLANTON. Mr. Speaker, a bill of this magnitude, seeking to appropriate \$968,748 should not ever come up for consideration on a unanimous-consent calendar. A case in court involving such a tremendous amount, would be hotly contested, and it would usually take a whole week to try it. The committee report does not have in it any communication whatever from any department of Government. The committee report does not show that any executive of the Government has given to it his approval. If the House should pass bills of this importance, taking practically a million dollars of the people's money out of the United States Treasury, on a unanimous-consent calendar, it would be absolutely impossible for us ever to balance the Budget. Every dollar that we appropriate must be taken out of the pockets of the people through taxation. And if we do not stop spending, our Government will face bankruptcy. These are my reasons for objecting to the bill.

ANNA MARIE SANFORD

The Clerk called the next bill on the Private Calendar, H. R. 1275, for the relief of Anna Marie Sanford, widow of William Richard Sanford, deceased.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Reserving the right to object, I have been following a certain form with regard to all of these bills where we seek to grant compensation to individuals, by reason of the running of the statute of limitations. I want to know whether the gentleman would be willing to accept this amendment?

That the United States Employees' Commission is hereby authorized to consider and determine the claim of Anna Marie Sanford, widow of William Richard Sanford, deceased, former furnace man, navy yard, Washington, D. C., in the same manner and to the same extent as if said William Richard Sanford had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof, provided that no benefits shall accrue prior to the approval of this act.

That is the form adopted at this session.

Mr. BLAND. I have no objection to the form, except there is one feature of this situation that I desire to bring to the attention of the gentleman.

The man first developed symptoms of tuberculosis in 1919. He was continued at work, and then in 1929 he developed tuberculosis. One question is when the tuberculosis first developed. He filed within one year after 1929.

Mr. STAFFORD. We are waiving by the proposed substitute the statute of limitations. We leave it to the United States Employees' Compensation Commission to determine whether he received injuries for which he would be entitled to compensation if he had filed his claim in time.

Mr. BLAND. I will accept the gentleman's amendment, but, Mr. Speaker, I ask unanimous consent to substitute for the House bill an identical Senate bill, S. 2822, which has been passed. Then with the amendment to the Senate bill it may go to the Senate for concurrence.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia [Mr. BLAND]?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, are hereby waived in favor of Anna Marie Sanford, widow of William Richard Sanford, deceased, former furnace man, navy yard, Washington, D. C.: *Provided,* That compensation, if any, shall commence from and after the date of passage of this act.

Mr. STAFFORD. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The gentleman from Wisconsin offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Strike out all after the enacting clause and insert:

"That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Anna Marie Sanford, widow of William Richard Sanford, deceased, former furnace man, navy yard, Washington, D. C., in the same manner and to the same extent as if said William Richard Sanford had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: *Provided,* That no benefits shall accrue prior to the approval of this act."

The SPEAKER pro tempore. The question is on the substitute amendment.

The substitute amendment was agreed to.

The Senate bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CHARLES THOMAS

The Clerk called the next bill, H. R. 3724, for the relief of Charles Thomas.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BACHMANN. Mr. Speaker, reserving the right to object, this bill provides for the payment of two amounts, one of \$2,500 for injuries to the boy and another \$2,500 to his father. I do not think this case warrants the payment of any additional sum to his father. If the gentleman will accept an amendment providing relief for this claimant to the extent of \$2,500, I will have no objection to the bill.

Mr. BLACK. I really think the amount awarded to the boy is too low. This boy lost his leg.

Mr. BACHMANN. I am inclined to believe that, I will say to the chairman of the committee. I think he is right in that. I think there is a liability on behalf of the Government for injury to this boy, but my objection is to the payment of two special sums for the same injury. I have no objection to increasing the amount to \$3,500 for payment to this boy.

Mr. BRUNNER. I will accept that amendment.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles Thomas the sum of \$2,500 in full settlement for injuries sustained by him;

and the additional sum of \$2,500 is hereby appropriated for loss of services and expenses of Edgar Thomas, as a result of a collision in which Charles Thomas was struck by an Army truck on Bell Avenue at Maxwell Avenue, Bayside, Long Island, on October 8, 1928: *Provided*, That no part of the amount of any item appropriated in this act in excess of \$200 thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered or advances made in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum which exceeds \$200 of the amount of any item appropriated in this act on account of services rendered or advances made in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 5, after the word "to," insert the words "the legal guardian of."

The committee amendment was agreed to.

Committee amendment: On page 2, in line 15, after the figures "\$1,000," insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

Mr. BACHMANN. Mr. Speaker, there is another provision in this bill providing for attorneys' fees. There is no necessity for having two provisions for attorneys in the bill. I think, however, the provision inserted by the committee for attorneys' fees is a proper one. I offer an amendment to strike out the first provision contained in the bill for attorneys' fees.

The SPEAKER pro tempore. The gentleman from West Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BACHMANN: On page 2, beginning in line 2, after the colon strike out the proviso ending in line 15.

The amendment was agreed to.

Mr. BLACK. Mr. Speaker, I move that the bill be amended in line 6 by striking out the figures "\$2,500" and inserting "\$3,500." Further that the bill be amended in line 7 by striking out the semicolon after the word "him" and all the language down to the word "as" in line 9.

The SPEAKER pro tempore. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLACK: Strike out, on page 1, beginning in line 7 after the word "him," the semicolon and the remainder of line 7, all of line 8, all of line 9, and line 10 down to the word "struck" and insert the words "by being."

Mr. BACHMANN. Mr. Speaker, I desire to be heard on the amendment. I am afraid the amendment as read by the Clerk strikes out the important part of the bill, the injury part of the bill.

Mr. STAFFORD. Mr. Speaker, the amendment as reported by the Clerk will carry the following language:

The sum of \$3,500 in full settlement for injuries sustained by him by being struck by an Army truck on Bell Avenue—

And so forth. I prepared the amendment in advance and I think it is in proper shape.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

LIEUT. JAMES FLOYD TERRELL

The Clerk called the next bill on the Private Calendar, H. R. 4280, for the relief of Lieut. James Floyd Terrell, Medical Corps, United States Navy.

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. MONTAGUE. Mr. Speaker, will the gentleman withhold his objection?

Mr. EATON of Colorado. I will reserve the objection.

Mr. MONTAGUE. I would like to say to the gentleman that this bill passed the House last year.

Mr. STAFFORD. Did it pass at this amount?

Mr. MONTAGUE. No; it was passed at the amount of twelve hundred and some dollars.

Mr. EATON of Colorado. Mr. Speaker, here is a man who is a lieutenant of the Navy and goes out at 8 o'clock in the evening and comes back after a while and finds there has been a fire. His goods are destroyed, and he puts in a bill for \$280 worth of books 4 years old that cost \$280; 3 pajama suits, 4 months old, cost price \$5 per suit, \$15; bathing suit, 6 months old, cost price \$5, value \$5; raincoat, cravenette, cost \$60, value \$60 after 6 months' use; marine uniform, whipcord, purchase price \$80, value after 1 year \$80; and so he goes on down through the list.

I thought the gentleman from Virginia wanted to hear the complaint about the bill.

Mr. MONTAGUE. I did wish to hear the comments of the gentleman about the bill and the reasons for the gentleman's objection to the bill.

When this gentleman made the account up, he just stated what the things had cost him. He had no time to go into other detail. He just took the matter up before the Military Board and stated the matter in that way. The bill, as originally introduced by me, was for this amount, but I agreed to reduce it, according to the statement before the committee, from \$1,600 to \$1,250. I think this would amply cover the items which the gentleman thinks are extravagant. I did not at all correct the original report, because I had just offered the bill as I had introduced it last year, and the bill was offered last year for \$1,250 and passed.

Mr. EATON of Colorado. I have not had time to go over and revalue all these items, but I think the \$250 or \$300 reduction suggested is entirely out of line with the amount of loss, if there was a compensable loss. I believe it should be so materially reduced that I think the bill should go over at this time.

Mr. BACHMANN. Will the gentleman suggest an amendment that, in his opinion, would cover the amount of the loss?

Mr. MONTAGUE. Let me say to the gentleman that the Navy Department, when it reported on the bill, stated that \$1,250 was the proper amount.

Mr. STAFFORD. Does not the gentleman think it is a rather high-handed method of action for a naval officer, after he has had a library for a number of years, to put the loss of the library at the cost price?

Mr. MONTAGUE. I know this man, and he is a very high-toned man.

Mr. STAFFORD. Oh, there is no question of his high tone.

Mr. BACHMANN. There is no question about the liability here, and there ought to be some compensation made for this loss.

Mr. MONTAGUE. The only question raised about this bill last year was by the distinguished gentleman from Wisconsin [Mr. STAFFORD], when he said that this man ought to have insured these goods. I stated at that time that the man had insured his goods, but his policies were canceled as soon as he was ordered to go to Panama. He had not been in Panama more than a week or two weeks when the fire occurred in the barracks. He was on leave for an hour or so and came back and found the barracks on fire. His superior officer ordered him at once to go and look after the wounded and sick and the killed or injured, and he had to leave his own quarters. He could have saved every piece of his property, but was put on this duty by his superior officer and lost his property without any negligence on his part.

Mr. BACHMANN. And this loss occurred while he was performing the duty of helping somebody else whose place was on fire. There is no question but what there ought to be compensation in this case. Would the gentleman agree

to an amendment in the amount he thinks proper, say, \$800 or \$900, or whatever the gentleman thinks is right in the matter? There is no doubt that this man ought to have some compensation.

Mr. EATON of Colorado. Mr. Speaker, there is a page and a half of fine print here, and I object to the bill being considered to-night.

Mr. BACHMANN. Would the gentleman accept \$800 as an amendment?

Mr. EATON of Colorado. No; I think the entire compensation should only be a very few hundred dollars, if any. Everything involved here was old and secondhand, and he has priced the articles at their full cost value in most instances. The cost price is put in here and also the claimed price.

I object, Mr. Speaker.

WILHEMIA WILKIE

The Clerk called the next bill on the Private Calendar, H. R. 5198, for the relief of Wilhemia Wilkie.

Mr. STAFFORD. Mr. Speaker, I object.

I. L. LYONS & CO.

The Clerk read the next bill on the Private Calendar, H. R. 4246, for the relief of I. L. Lyons & Co.

The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. I reserve the right to object.

Mr. BLANTON. The gentleman will note that the Treasury suggested an amendment, and the committee has amended the bill according to the suggestion of the department.

Mr. BACHMANN. There is no difference in the amount, but there is a further provision that they must return the liquor to the Government that the marshal of the district court turned over to the company that produced it. I want to inquire of the gentleman who introduced the bill whether they still have possession of the liquor?

Mr. MALONEY. They have possession of the liquor.

Mr. STAFFORD. What, in New Orleans? [Laughter.]

Mr. MALONEY. Yes. And the bill provides for the return of the liquor to the Government, before they can get the money back.

Mr. BLACK. Mr. Speaker, I ask unanimous consent to substitute Senate bill 1473 on the Speaker's desk.

The Clerk read the Senate bill.

Mr. STAFFORD. I understood that the committee was going to suggest the committee amendment to the original House bill, as a substitute for the Senate bill.

Mr. BACHMANN. I reserved the right to object to the unanimous consent to substitute the Senate bill. I only withdrew my objection because they accepted the amendment of the Treasury Department.

Mr. MALONEY. Mr. Speaker, I ask unanimous consent to substitute the committee amendment for the Senate bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the amendment as a substitute amendment for the Senate bill, as follows:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to I. L. Lyons & Co. the sum of \$3,793.07, in full settlement of all claims against the Government of the United States, which sum represents the amount paid to the United States by the said company for certain liquors sold to it by order of the United States district court authorizing the marshal for the eastern district of Louisiana and the Customs Service, port of New Orleans, to make such sale, and which liquors were later found and held to be unfit for medicinal purposes and not salable by the said I. L. Lyons & Co. as permittee wholesale druggist.

SEC. 2. That the payment directed under section 1 of this act shall not be made until the liquor involved is surrendered to the Federal prohibition administrator at New Orleans, La., for destruction.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

GRANTING OF CERTAIN LANDS TO THE CITY OF NEW ORLEANS

Mr. FERNANDEZ. Mr. Speaker, I desire to make a unanimous-consent request.

The SPEAKER pro tempore. The gentleman from Louisiana says there is a local emergency, and he desires unanimous consent to make a statement. The Chair recognizes the gentleman from Louisiana.

Mr. FERNANDEZ. Mr. Speaker, I rise for the purpose of asking the House to consider H. R. 8779, Private Calendar 408, out of order. I would not impose this request upon the House were it not in the nature of emergency legislation.

Mr. BACHMANN. Will not the gentleman withhold that until those of us charged with the responsibility of checking up bills have had an opportunity to make some examination of the matter? I do not know anything about it.

Mr. FERNANDEZ. I will withhold it for the present.

SAMUEL SCHWARTZ

The next business on the Private Calendar was the bill (H. R. 2514) for the relief of the estate of Samuel Schwartz. The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. Mr. Speaker, I object.

Mr. O'CONNOR. Mr. Speaker, will the gentleman reserve his objection?

Mr. BACHMANN. I do.

Mr. O'CONNOR. Mr. Chairman, this bill was on the calendar in the last session of Congress. The deceased was hit by a mail truck in New York City and lost his life. His estate is claiming damages on account of that. It is true that the Postmaster General and the post-office inspector say on the report of the driver of the truck that it was the fault of the deceased, but in the report there is an affidavit by an eyewitness who says that the truck was going at an excessive rate of speed, and that it was the driver's fault.

I do not believe that the Post Office Department, either the Postmaster General or anybody in his department, can be relied upon as witnesses in his own case. Naturally the driver of the truck wants to exonerate himself. If he should confess to being negligent, if he should admit his culpability for the accident, he would be discharged. If that is what the gentleman from West Virginia [Mr. BACHMANN] is relying on, then I submit to him that in these cases where people are killed or injured by an agency of the United States Government and their only relief is in Congress, the unsworn statement of the Postmaster General is not entitled to much weight. Of course he knows nothing about it, nor does the Post Office inspector know anything about it. The only witness who could be sworn and whose testimony would be accepted in a court of justice—as the gentleman well knows, because he is one of the ablest lawyers in the House—is the witness, Antonio Cervini.

Mr. BACHMANN. Mr. Chairman, I feel as the gentleman from New York does, so far as I am personally concerned. We have a great number of people who are injured and killed by postal employees who are operating Government trucks, as well as by soldiers who are operating Government automobiles and trucks. These people have no way of being compensated except by coming to Congress and asking for relief. Knowing that the gentleman from New York introduced the bill, knowing that he is a lawyer occupying a high standing at the New York Bar, I did not think that he would introduce a bill unless it was meritorious. I have read the report and I have read the affidavit of the Italian witness.

Mr. O'CONNOR. Do not emphasize the Italian part of it, just say the witness.

Mr. BACHMANN. Very well, the witness. I have risen to ascertain the true facts. As I understand this case, the deceased, carrying two bundles of newspapers, one on his shoulder and the other on his arm, started across the street at an intersection diagonally from one corner to another, instead of going across the street in the proper way. If he had been going across the street properly, he would not have contributed to this accident.

Mr. O'CONNOR. Admit all the gentleman says, if you will, do you think one of these poor, unfortunate people who makes a living carrying newspapers is going to deliberately throw himself in front of a United States mail truck?

Mr. BACHMANN. Certainly not.

Mr. O'CONNOR. Why emphasize the matter of negligence? In New York and other States we have provisions of equity by which damages may be awarded for injuries irrespective of negligence. If the gentleman wants to go on the strict fact of negligence, he puts his Government in the position of the railroads, who dispute accident cases on technical grounds of negligence. The gentleman does not want to do that, I am sure.

Mr. BACHMANN. No; but let us talk about the facts in this case. What has the gentleman to say about the case that was referred for prosecution and the man was found not guilty? If the truck was going 50 or 60 miles an hour, he violated the law.

Mr. O'CONNOR. In answer to that I call on my colleagues from New York, who are lawyers, who represent plaintiffs in negligence cases, where the defendant, a drunken or reckless driver, is haled into the magistrate's court. The last thing we want to have happen is to have him convicted. If he is convicted of a criminal charge or of reckless driving, we may lose our negligence case.

Mr. STAFFORD. Mr. Chairman, I examined this bill and report, not knowing who the author of the bill was until a few minutes ago.

Mr. O'CONNOR. I did not know that it was on the calendar until a few minutes ago.

Mr. STAFFORD. There is this harmony of testimony between the witness and the post-office driver.

Mr. O'CONNOR. Oh, there is no testimony of the post-office driver.

Mr. STAFFORD. Yes; there is the report of the inspector of the Post Office Department, who represents the Government, who got the testimony of the driver.

Mr. O'CONNOR. He was not there, of course.

Mr. STAFFORD. He has the testimony of the driver, and we have every reason to believe that the post-office inspector set forth the facts as the driver stated them to him. It is agreed that this news dealer was carrying newspapers in the dark, early morning, when it was raining, two bundles, one under his arm and one on his shoulder. It is agreed that he did not cross the street at the regular crossing, but diagonally. It is agreed also, if I know anything about New York traffic, the way it courses down Fifth Avenue, with automobiles going at 40 miles an hour, at the excessive speed of speedy New York—

Mr. O'CONNOR. It is a violation of all law.

Mr. STAFFORD. But the fact is that automobiles come coursing down Fifth Avenue, as I can testify, at 40 and 50 miles an hour.

Mr. BACHMANN. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. BACHMANN. The gentleman does not mean to say that because an automobile is going 40 or 50 miles an hour, therefore, this man ought not to have his claim passed?

Mr. STAFFORD. I claim that the testimony supports the position of the post-office inspector, which contains the report of the motor driver. He says he was going only 15 miles an hour.

Mr. O'CONNOR. He was not there.

Mr. STAFFORD. The motor driver was not there?

Mr. O'CONNOR. The inspector was not there. The accident occurred on Third Avenue, in my district, where there are two rows of elevated pillars in the street. Anybody who goes 30 miles an hour there is criminally guilty.

Mr. SCHAFER. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. SCHAFER. Did the gentleman ever find a motor-car driver who had an accident who did not claim that he was going only 10 or 15 miles an hour?

Mr. O'CONNOR. Of course, they all claim that. Now, one of the menaces to life in New York City, which the city has tried to stop, is the mail trucks. Mail trucks are the greatest menace to life in New York, and when New York City has tried to stop them the Post Office Department has said, "You have no control over us; we are an entirely different government. Mind your own affairs."

It is presumptive evidence of negligent operation when anybody is killed by a mail truck in New York City.

Mr. STAFFORD. Let me ask the gentleman this question: Here is a news dealer transporting newspapers that had been dropped on one corner over to his news stand. It is dark and raining, in the early hours of the morning. He is carrying a big package on his shoulder. He can not see the coming truck. Does the gentleman say that he is free from negligence?

Mr. O'CONNOR. Does the gentleman not think that the same obligation of care, because of the rain and the darkness, and so forth, devolves on the driver of the mail truck?

Mr. STAFFORD. Yes; I grant that.

Mr. O'CONNOR. Now, all things being equal, would the gentleman say that a citizen would run in front of a mail truck and commit suicide?

Mr. STAFFORD. No.

Mr. O'CONNOR. Any jury in the land, under the circumstances, would find a verdict for this man.

Mr. BLACK. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. BLACK. I think the thing which influenced the committee more than anything else was the testimony of the post-office inspector to the effect that the driver blew his whistle. He said he was traveling at only 9 miles an hour. He saw the man, he blew his whistle, and he was only going 9 miles an hour and he could have put on his brakes and stopped the wagon.

Mr. STAFFORD. He only went 10 feet after he struck the man.

Mr. O'CONNOR. You can stop in 10 feet going at 25 miles an hour. If the gentleman will stop these mail trucks from endangering the lives of our citizens, he will be doing a great service.

The regular order was demanded.

Mr. BACHMANN. Mr. Chairman, I wish to say to the gentleman from New York that it is usual in cases of this kind to ask for either \$5,000 or \$10,000.

Mr. O'CONNOR. This bill asked for \$10,000 and the committee cut it down to a miserable \$3,500.

Mr. BACHMANN. In view of the fact that they are only asking \$3,500 I will withdraw my objection in this instance.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Samuel Schwartz the sum of \$10,000. Such sum shall be in full satisfaction of all claims against the United States for damages resulting from the death of Samuel Schwartz, who, on January 23, 1926, died from injuries received when run down and struck by a United States post-office truck January 22, 1926, in New York City.

With the following committee amendments:

On page 1, line 6, strike out "\$10,000" and insert in lieu thereof "\$3,500."

Page 1, line 11, at the end of the bill, insert the following:

"Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

MARGARET B. KNAPP

The Clerk called the next bill on the Private Calendar, H. R. 2036, for the relief of Margaret B. Knapp.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. CELLER. Will the gentleman withhold his objection until I can make an explanation of the bill?

Mr. EATON of Colorado. I will withhold the objection.

Mr. CELLER. I will say to the gentleman that this is a bill wherein a petition is made to Congress to pay a woman, Margaret B. Knapp, \$5,000.

After 19 years of faithful service, during which time, as the result of unremitting toil in the compilation of most important records, subsequently used in the war in the Quartermaster Corps, this woman developed a condition that brought on blindness. While it is true she wore glasses for a portion of her life, as a result of the very close attention she gave to her work, as indicated by the records in this case, particularly the medical testimony and the statements of the Compensation Commission, she is unable now to earn a livelihood, and in the evening of her life, after she is 50 years of age, she is thrown out of employment because of her disability, and the Government, to which she has given 19 years of faithful service might, if the gentleman's objection obtains, be so ill considerate of her needs as to give her nothing except the small amount she receives under the retirement act, something like \$37 per month.

I ask the gentleman to close his eyes for just half a minute and see how the world is shut out, and then picture to himself the closing of those eyes while life persists to the end of his days, and then he will realize the dreadful plight in which this woman finds herself.

Now, just bear with me and I will read to you what the chairman of the Compensation Commission recites in one of her letters that was submitted to the Committee on Claims:

The work Mrs. Knapp did for the Government during 1914 and 1915 appears to have been of such a nature that it might well be considered the proximate cause of her present disability. While she had been very nearsighted for many years previously, this eye condition had been nonprogressive.

I emphasize the word "nonprogressive," and parenthetically state that Bessie P. Brueggeman's letter—she being chairman of the commission—was submitted after she had read and studied the testimony of the medical experts, particularly those experts of the United States Army schooled in medicine. She goes on to say:

This eye condition had been nonprogressive until she was required to do unusually close eye work, from 1913 to 1915. As a direct result of that work she lost the vision of her right eye from an industrial standpoint. Also there seems to be no question that the special task to which she was assigned was the direct cause of the progressive development of the change of eye symptoms which subsequent medical reports confirm. The most recent medical report, that of May 15, 1930, by Dr. J. N. Greear of this city shows that Mrs. Knapp is for practical purposes industrially blind in both eyes.

[Here the gavel fell.]

Mr. CELLER. Mr. Speaker, I ask unanimous consent to further explain the bill, because this bill passed the Senate during two previous sessions, and it has been on this calendar for many years. The woman lives in San Francisco, and she came here after a great deal of difficulty to testify before the subcommittee. I beg the indulgence of the House in order that I may endeavor to change the mind of the gentleman who objects to this bill.

Mr. EATON of Colorado. Mr. Speaker, I have the greatest sympathy for the lady in her affliction. In the report it appears that in March, 1924, this claimant, Mrs. Knapp, was granted an annuity at the rate of \$432 per annum, having been found upon medical examination to be totally disabled for useful employment. That is the report of the Compensation Commission. There is nothing in the bill which shows anything except that this \$5,000 is to be added to the award heretofore made. There should not be two awards in this case, one a lump sum and the other an annuity. The least you should do, if you want a lump sum, is to cancel the annuity; if you have a case where sufficient annuity is withheld, then redraft the bill along that line. But unless and until there is some kind of a change in the pending bill I shall continue to object.

The SPEAKER pro tempore. Objection is heard. The Clerk will report the next bill.

JAMES RIVER BRIDGE CORPORATION

The Clerk called the next bill, H. R. 796, for the relief of the James River Bridge Corporation.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, we have no report from any member of the United States Shipping Board. I notice we have a report from the attorney of the interested claimant.

Mr. LANKFORD of Virginia. This bill passed the House last year and that report was not asked for. If it did not belong to the Shipping Board, there would be no suit. This bill simply gives them the right to prosecute the case in admiralty.

Mr. STAFFORD. Instead of incorporating the views of the attorney for the corporation, why not have the views also of the Government representative?

Mr. LANKFORD of Virginia. This is the first time I have had such a request. I would be very glad to have that, but this is the first time any request of that kind has been made, and I did not know it was going to be required. The bill passed the House last year and, as I have said, all it does is to give the admiralty court jurisdiction, a court that is used to handling claims of this kind. At present a bridge is not a subject of admiralty, but a ship ran into it and they want the admiralty rules to apply in the trial of the case. I am sure this vessel belonged to the Shipping Board. I do not know why there is not a letter here from them.

Mr. STAFFORD. The report is incomplete. I dislike to object because the bill merely submits the matter to the court.

Mr. LANKFORD of Virginia. I hope the gentleman will not object, because it is getting late in the session and I would like to have the bill passed.

Mr. STAFFORD. We ought to have a full report, but in this case I shall withdraw my reservation of objection.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the claim of the James River Bridge Corporation, a corporation organized and existing under the laws of the State of Virginia, for damages suffered by reason of injuries alleged to have been inflicted upon the draw fender of the Newport News James River Bridge, near Newport News, Va., by the steamship *Vittore Emanuele III*, alleged to belong to the United States, in a collision with said fender by the said steamship, occurring on or about the 9th day of April, 1929, may be submitted to the United States court in the district in which said bridge is, and in compliance with the rules of said court sitting as a court of admiralty; and the said court shall have jurisdiction to hear and determine the whole controversy and to enter a judgment or decree for the amount of the damages sustained by reason of said collision; and if any shall be found due either for or against the United States, upon the same principles and measure of liability with costs, as in like cases in admiralty between private parties, and with the same right of appeal: *Provided, however,* That any suit hereunder shall be instituted within four months after the passage of this act.

Sec. 2. That the mode of service of process upon the United States shall conform to the provisions of the act of March 3, 1887, entitled "An act to provide for the bringing of suits against the United States."

With the following committee amendment:

Page 2, line 6, after the word "damages," insert the words "if any."

The committee amendment was agreed to.

Mr. COLLINS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLLINS: Page 2, line 13, after the word "act," insert "Provided further, That no judgment can be rendered against the United States unless the said steamship was operated by the United States or by some governmental agency."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

GRANTING OF CERTAIN LANDS TO THE CITY OF NEW ORLEANS

Mr. FERNANDEZ. Mr. Speaker, I ask unanimous consent to take up out of order the bill (H. R. 8779) granting certain lands to the board of commissioners of the Orleans

levee district in the city of New Orleans, State of Louisiana, for levee and street purposes.

Mr. BACHMANN. Mr. Speaker, reserving the right to object, I want to permit the gentleman from Louisiana to make a statement and then I shall make an inquiry, and, I think, following that, I can withdraw my objection.

Mr. FERNANDEZ. Mr. Speaker, this legislation is necessary to change and move the levee at the foot of Esplanade Street for a distance of about half a mile. This requires the moving back of three railroad tracks, a street, and a sidewalk, and it is necessary to take 30 feet of property belonging to the Government.

Mr. BACHMANN. Will the gentleman yield?

Mr. FERNANDEZ. Yes.

Mr. BACHMANN. Has the gentleman taken this matter up with the Treasury Department and also with the Attorney General; and if so, what recommendation did he receive from the departments?

Mr. FERNANDEZ. The bill, in fact, was written by the Department of Justice, and I have their letter here, which I shall be pleased to put in the RECORD, and also the letter of the Treasury Department.

Mr. BACHMANN. If the gentleman will incorporate with his remarks the letter of the Treasury Department and the letter of the Department of Justice, and if the gentleman states now that there is absolute necessity for the passage of the bill on account of an emergency by reason of flood conditions and to prevent an overflow at this point in the levee, I shall withdraw any objection.

Mr. FERNANDEZ. I shall be pleased to do that.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the following-described land, to wit: A strip of land 210.02 feet in length and 30 feet in depth, fronting on North Peters Street, between Barracks Street and Esplanade Avenue, being a part of the Old Mint Site, transferred to the control and custody of the Department of Justice by the Secretary of the Treasury on May 15, 1931, and shown on a plan made by the chief engineer of the Board of Levee Commissioners, dated January 2, 1932, be, and the same is hereby, granted to the board of commissioners of the Orleans levee district, of New Orleans, La., for levee and street purposes; and the Attorney General is, upon the passage of this act, authorized to execute a proper quit-claim deed upon due proof of the organization and legal existence of the board of commissioners of the Orleans levee district.

Sec. 2. That the said lands are granted solely for levee and street purposes, and shall revert to and become the property of the United States of America, if used for any purpose whatsoever other than or foreign to those for which this donation is made.

Sec. 3. The transfer of this property and its use for the purpose mentioned shall be without expense to the United States of America.

Mr. FERNANDEZ. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein the letters referred to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. FERNANDEZ. Mr. Speaker, the bill under consideration by unanimous-consent request, H. R. 8779, Private Calendar No. 408, is for the purpose of acquiring an easement over a strip of land 210.02 feet in length and 30 feet in depth, fronting on North Peters Street, between Barracks Street and Esplanade Avenue, being a part of the old mint site transferred to the control and custody of the Department of Justice by the Secretary of the Treasury on May 15, 1931, and now used as a jail.

This 30-foot strip of land runs in front of the old United States mint site along North Peters Street. The acquisition of this strip of land will in no way interfere with the accessibility to and from the building.

The entire square of ground on which this strip of land is located was donated by the city of New Orleans, State of Louisiana, to the United States Government in 1835 for the purpose of erecting a branch of the Mint of the United

States and was used as a mint for a number of years. Only recently the Treasury Department authorized the transfer of this square of property to the Department of Justice for use as a jail.

The present existing levee, from Toulouse Street to Esplanade Avenue, the point where this land is located, is the one remaining portion of the levee line in the whole city of New Orleans that is not up to the standard height and cross section, and it is desired by the Orleans Levee Board, parish of Orleans, city of New Orleans, State of Louisiana, that this piece of construction be undertaken immediately following the high-water season of 1932 and completed as soon thereafter as practicable. It requires the moving back of railroad tracks, the street, and the sidewalks. However, none of this work can be commenced until authority is granted by Congress to use this small strip of land to set back the sidewalk and street. For this reason I have asked the unanimous consent of the House to consider the bill out of order so that the legislation may be enacted by this Congress which will grant the necessary right of way and in order that the Levee Board of the Parish of Orleans, city of New Orleans, State of Louisiana, can proceed as expeditiously as possible with their work.

It would be interesting, I believe, to state that Orleans Parish is building the levees on its 26 miles of Mississippi River front without any assistance or contribution from the United States.

As suggested by my friend, Congressman BACHMANN, and under the permission granted by the House, I include in my remarks a letter from Hon. Ferry K. Heath, Assistant Secretary of the Treasury, dated January 13, 1932, also letter from Hon. W. D. Mitchell, Attorney General, dated January 29, 1932.

Letter from the Assistant Secretary of the Treasury, Mr. Heath:

TREASURY DEPARTMENT,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, January 13, 1932.

Hon. J. O. FERNANDEZ,

House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Receipt is acknowledged of your letter of January 4, 1932, relative to the proposed conveyance by the United States to the Board of Commissioners of the Orleans Levee District for street and levee purposes of a strip of land of a uniform width of 30 feet off the North Peters Street side of the old United States Mint Building site at New Orleans, La.

I have the honor to inform you that the aforesaid building is now in the custody and care of the Department of Justice, the formal transfer of said mint building for use as a jail having been approved by this department, effective as of May 15, 1931.

In view of the foregoing, it is suggested that the question as to whether or not the proposed transfer of the aforesaid 30-foot strip of the site to the Orleans Levee District commissioners would affect the occupancy and use of the aforesaid building be submitted to the Department of Justice.

Draft of bill for the proposed transfer and sketches showing the dimensions of the 30-foot strip in question are returned to you herewith.

Very truly yours,

FERRY K. HEATH,
Assistant Secretary of the Treasury.

Letter from the Attorney General, Mr. Mitchell:

DEPARTMENT OF JUSTICE,
OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., January 29, 1932.

Hon. J. O. FERNANDEZ,

House of Representatives, Washington, D. C.

DEAR MR. CONGRESSMAN: This will acknowledge the receipt of your letter of January 19, 1932, inclosing draft of bill to transfer to the Board of Levee Commissioners of the Orleans Levee District a strip of land in front of the old mint building, now being remodeled for use as a Federal jail, for the purpose of rebuilding the levees in that region to protect the city of New Orleans from the Mississippi River.

This bill has been studied by the department, and I am inclosing another draft containing a few suggestions which we believe clarified to some extent the draft submitted by the Orleans Levee Commission.

Yours very truly,

W. D. MITCHELL, Attorney General.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 30 minutes p. m.) the House adjourned until to-morrow, Thursday, March 10, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. RAINEY submitted the following tentative list of committee hearings scheduled for Thursday, March 10, 1932, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

General legislation.

COMMITTEE ON THE POST OFFICE AND POST ROADS

(10 a. m.)

Bill to fix the rate of postage on certain periodicals exceeding 8 ounces in weight (H. R. 6688).

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

Merchants' airship bill (H. R. 8681).

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES

(10 a. m.)

Depressed value of silver (H. Res. 72).

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(10.30 a. m.)

Bill to reduce certain naturalization fees (H. R. 9498).

Bill to provide for review of the action of consular officers in refusing immigration visas (H. R. 8878).

Bill to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purpose of service and protection on American ships (H. R. 6710).

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. OVERTON: Committee on Flood Control. H. R. 9451. A bill to provide a preliminary examination of the Flint River, Ala. and Tenn., with a view to the control of its floods; without amendment (Rept. No. 751). Referred to the Committee of the Whole House on the state of the Union.

Mr. OVERTON: Committee on Flood Control. H. R. 9452. A bill to provide a preliminary examination of Flint Creek and its branches in Morgan County, Ala., with a view to the control of its floods; without amendment (Rept. No. 752). Referred to the Committee of the Whole House on the state of the Union.

Mr. OVERTON: Committee on Flood Control. H. R. 9453. A bill to provide a preliminary examination of Cataco Creek and its branches in Morgan County, Ala., with a view to the control of its floods; without amendment (Rept. No. 753). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUTLER: Committee on Irrigation and Reclamation. H. R. 8164. A bill for the rehabilitation of the Stanfield project, Oregon; with amendment (Rept. No. 755). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. H. R. 8694. A bill to amend section 5202, United States Revised Statutes, as amended (U. S. C., title 12, ch. 2, sec. 82), and for other purposes; without amendment (Rept. No. 756). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. NOLAN. Committee on the Public Lands. H. R. 8219. A bill for the relief of certain riparian owners for

losses sustained by them on the drained Mud Lake bottom in Marshall County in the State of Minnesota; with amendment (Rept. No. 750). Referred to the Committee of the Whole House.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 9331. A bill for the relief of Octavia Gulick Stone; with amendment (Rept. No. 754). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 8889) granting a pension to Reuben Franklin and the same was referred to the Committee on Invalid Pensions.

By Mr. GOODWIN: A bill (H. R. 10358) to amend an act entitled "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes"; to the Committee on Ways and Means.

By Mr. PALMISANO: A bill (H. R. 10359) to amend sections 5 and 6 of the act of June 30, 1906, entitled "An act to prohibit the killing of wild birds and wild animals in the District of Columbia," and thereby to establish a game and bird sanctuary of the Potomac River and its tributaries in the said District; to the Committee on the District of Columbia.

By Mr. GOODWIN: A bill (H. R. 10360) to amend an act entitled "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes"; to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GILLEN: A bill (H. R. 10324) to amend the civil service retirement act in regard to eligibility for retirement in case of ex-service men, and for other purposes; to the Committee on the Civil Service.

By Mr. KNUTSON: A bill (H. R. 10325) to set aside certain lands for the Leech Lake Band of Chippewa Indians in the State of Minnesota; to the Committee on Indian Affairs.

By Mr. LANKFORD of Georgia: A bill (H. R. 10326) to provide for the settlement of past-due interest and installments due Federal land banks, to prevent foreclosure of loans due such banks, and for other purposes; to the Committee on Banking and Currency.

By Mr. REILLY: A bill (H. R. 10327) to provide a separate promotion list for the Judge Advocate General's Department of the Army, and for other purposes; to the Committee on Military Affairs.

By Mr. LUDLOW: A bill (H. R. 10328) to prohibit loans or advances by the Federal Farm Board to any cooperative association or stabilization corporation paying salaries in excess of \$15,000 per annum, and for other purposes; to the Committee on Banking and Currency.

By Mr. RAYBURN: A bill (H. R. 10329) to amend section 21 of the act approved June 5, 1920, entitled "An act to provide for the promotion and maintenance of the American merchant marine, to repeal certain emergency legislation and to provide for the disposition, regulation, and use of property acquired thereunder, and for other purposes," as applied to the Virgin Islands of the United States; to the Committee on the Merchant Marine, Radio, and Fisheries.

By Mr. DICKSTEIN (by request): A bill (H. R. 10357) to amend the act of February 25, 1927 (44 Stat. 1234), entitled "An act to confer United States citizenship upon certain inhabitants of the Virgin Islands and to extend the naturalization laws thereto," to clarify the application thereof to certain persons born in the Virgin Islands, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. CHRISTOPHERSON: Resolution (H. Res. 170) requesting the United States Tariff Commission to investigate and report on the effect of the differences in rate of

exchange on the tariff on butter; to the Committee on Ways and Means.

By Mr. HOWARD: Joint resolution (H. J. Res. 324) relating to wheat held by the Wheat Stabilization Corporation; to the Committee on Agriculture.

By Mr. CHASE: Joint resolution (H. J. Res. 325) providing certain restrictions as to aliens becoming citizens of the United States; to the Committee on Immigration and Naturalization.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 10330) granting a pension to Lucretia M. Phelps; to the Committee on Invalid Pensions.

By Mr. ARNOLD: A bill (H. R. 10331) authorizing Walter S. Crosley, rear admiral, United States Navy, to accept the award of the Order of the Crown of Italy tendered him; to the Committee on Naval Affairs.

By Mr. BOWMAN: A bill (H. R. 10332) granting an increase of pension to Eva Shaver; to the Committee on Invalid Pensions.

By Mr. CARDEN: A bill (H. R. 10333) granting a pension to Ollie Wilhelm Smith; to the Committee on Invalid Pensions.

By Mr. COLLINS: A bill (H. R. 10334) for the relief of Hunter George Taft; to the Committee on Naval Affairs.

By Mr. CONNOLLY: A bill (H. R. 10335) for the relief of Gottfried J. Maier; to the Committee on War Claims.

By Mr. CROWTHER: A bill (H. R. 10336) for the relief of LeRoy C. Sherman; to the Committee on Claims.

By Mr. DIES: A bill (H. R. 10337) for the relief of W. B. Terry; to the Committee on Claims.

By Mr. FREAR: A bill (H. R. 10338) granting a pension to Edwin H. Tarbox; to the Committee on Pensions.

By Mr. GASQUE: A bill (H. R. 10339) granting a pension to Josephine Hammond; to the Committee on Pensions.

By Mr. GUYER: A bill (H. R. 10340) granting an increase of pension to Frances Edna Morrow; to the Committee on Invalid Pensions.

By Mr. HOLLISTER: A bill (H. R. 10341) granting a pension to Paul D. Bogle; to the Committee on Pensions.

By Mr. IGOE: A bill (H. R. 10342) granting a pension to Sarah F. Roth; to the Committee on Pensions.

By Mr. KENDALL: A bill (H. R. 10343) granting an increase of pension to Mary E. Wetmiller; to the Committee on Invalid Pensions.

By Mr. KURTZ: A bill (H. R. 10344) granting a pension to Mary Singleton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10345) granting an increase of pension to Barbara Martin; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 10346) to correct the military record of William A. Bise; to the Committee on Military Affairs.

By Mr. MILLIGAN: A bill (H. R. 10347) granting an increase of pension to Nancy A. Smalley; to the Committee on Invalid Pensions.

By Mrs. OWEN: A bill (H. R. 10348) to incorporate the Women's National Aeronautical Association of the United States of America; to the Committee on the Judiciary.

By Mr. SHANNON: A bill (H. R. 10349) for the relief of Albert P. Dunbar; to the Committee on Military Affairs.

By Mr. SIMMONS: A bill (H. R. 10350) granting a pension to Edward P. Gillespie; to the Committee on Pensions.

By Mr. SUMMERS of Washington: A bill (H. R. 10351) approving and confirming contract for apportionment of waters of Ahtanum Creek, Wash., between Yakima Indian Reservation and lands north thereof, dated May 9, 1908; to the Committee on Irrigation and Reclamation.

By Mr. SWICK: A bill (H. R. 10352) granting an increase of pension to Sarah M. Armstrong; to the Committee on Invalid Pensions.

By Mr. THOMASON: A bill (H. R. 10353) for the relief of William W. Baird; to the Committee on Military Affairs.

By Mr. WELSH of Pennsylvania: A bill (H. R. 10354) for the relief of James H. Conlin; to the Committee on Military Affairs.

By Mr. WHITE: A bill (H. R. 10355) granting an increase of pension to Mattie Talbot; to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Texas: A bill (H. R. 10356) for the relief of the heirs of J. G. Lane; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3888. By Mr. ANDREWS of New York: Resolution adopted by the American Hotel Association of the United States and Canada, asking restoration to the several States of the right of the people to enact such liquor laws as they may respectively choose; to the Committee on the Judiciary.

3889. By Mr. BEAM: Memorial of Group No. 2368 of the Polish National Alliance, memorializing Congress to enact House Joint Resolution 144 directing the President to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3890. By Mr. BLANTON: Petition of Hon. R. E. Johnson and 265 other citizens and officials of Burnet County, Tex., urging Congress to pass immediately a bill to require the Government to pay off in cash at once the adjusted-compensation certificates due the veterans of the World War; to the Committee on Ways and Means.

3891. Also, petition of the Chamber of Commerce of Abilene, Tex., in the form of resolution adopted February 29, 1932, and presented by its president, Hon. P. A. Tower, and its secretary, Hon. T. N. Carswell, under seal, requesting Congress to repeal the recapture provisions of section 15(a) of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

3892. Also, petition of the Lions Club of Winters, the Winters Chamber of Commerce, the Board of Trustees of the Winters Independent School District, the Diversity Club, the Literary and Service Club of Winters, the Board of Aldermen of the City of Winters, the Parent and Teachers Associations, and 100 leading citizens of Winters, Tex., urging Congress to pass immediately the Patman bill, H. R. 1, to pay off in cash the adjusted-compensation certificates; to the Committee on Ways and Means.

3893. Also, petition of the members of the Roy Scoggins Post, No. 261, American Legion, of Winters, Tex., presented through Dr. Roy C. Maddox, post commander, and J. A. Huffine, adjutant, and of the Ladies' Auxiliary of the American Legion, presented by Mrs. M. Luther Owens, president, and Mrs. Roy C. Maddox, secretary, urging Congress to pass the Patman bill, H. R. 1, to pay immediately in cash the adjusted-compensation certificates; to the Committee on Ways and Means.

3894. Also, petition of 59 leading citizens of Marble Falls, Tex., presented by Walter Cox, urging Congress to pass immediately the Patman bill, H. R. 1, to pay off in cash the adjusted-compensation certificates; to the Committee on Ways and Means.

3895. Also, petition of the county officers, the city officials, the chamber of commerce, the Parent-Teachers Association, and leading citizens of Llano, Tex., urging Congress to pass immediately the Patman bill, H. R. 1, to pay off in cash the adjusted-compensation certificates to veterans of the World War; to the Committee on Ways and Means.

3896. By Mr. BOYLAN: Resolutions adopted by American Hotel Association of the United States and Canada, through its executive council in session at Chicago, Ill., urging the restoration to the several States of the right of the people to enact such liquor laws as they may respectively choose, or if they wish, for the prohibition of the liquor trade, providing such legislation shall not conflict with the duty of the Federal Government to protect each State against violation of its laws by citizens of other States; to the Committee on the Judiciary.

3897. Also, letter from the New York Employing Printers' Association (Inc.), New York City, N. Y., favoring the passage of House bill 8576; to the Committee on Printing.

3898. Also, letter from the Brooklyn Printers' Group, Brooklyn, N. Y., favoring the passage of House bill 8576; to the Committee on Printing.

3899. Also, letter from the International Photo-Engravers' Union of New York, N. Y., favoring the passage of the Norris-LaGuardia injunction relief bill; to the Committee on the Judiciary.

3900. By Mr. BRUNNER: Resolutions of the Community Councils of the City of New York (Inc.), favoring the enactment by Congress of House bill 8765, to protect labor in its old age, etc.; to the Committee on Labor.

3901. By Mr. BUCKBEE: Petition of Group No. 112 of the Polish National Alliance of the United States, St. Hyacinth's School, LaSalle, Ill., asking Congress to enact House Joint Resolution 144, directing the President to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3902. By Mr. CONNOLLY: Petition of Group No. 342 of the Polish National Alliance of the United States, Philadelphia, Pa., praying for passage of House Joint Resolution 144, directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3903. By Mr. CULLEN: Petition of the American Hotel Association of the United States and Canada, favoring the restoration to the several States of the right of their people to enact such liquor laws as they may respectively choose, or if they wish, for the prohibition of the liquor trade, provided such legislation shall not conflict with the duty of the Federal Government to protect each State against violation of its laws by citizens of other States; to the Committee on the Judiciary.

3904. By Mr. EVANS of California: Petition signed by approximately 24 persons, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

3905. By Mr. FERNANDEZ: Petition of citizens of New Orleans, La., opposing Senate bill 1202 and House bill 8092, providing for closing of the barber shops on Sundays in the District of Columbia, or any other compulsory religious measures; to the Committee on the District of Columbia.

3906. By Mr. GARBER: Petition of the National Cooperative Council, protesting against limitation of appropriations for Federal Farm Board; to the Committee on Appropriations.

3907. Also, petition of the Blackwell (Okla.) Unit of Disabled American Veterans; E. J. Behrend, of Boise City; Golmon M. Rhodes and Clarence Leverick, of Enid; James Hennessy Post, American Legion, of Braman; Tarrant Murphy Post, American Legion, of Hooker; Beaver Post, No. 194, American Legion, of Beaver; American Legion, Post No. 19, of Woodward; H. C. Doherty, cashier, Bank of Burlington, Burlington; John C. Jacobs, of Perry, all of the State of Oklahoma; and Texas Pay Bonus Now Organization; urging payment of the adjusted-compensation certificates without deduction of interest on outstanding loans; to the Committee on Ways and Means.

3908. By Mr. GARRETT: Petition of Farmers of Navasota, Tex., supporting the agricultural act; to the Committee on Agriculture.

3909. By Mr. GIBSON: Petition of Peter O. George and 34 other residents of Barre, Vt., protesting against the increased tax on gasoline; to the Committee on Ways and Means.

3910. By Mr. JOHNSON of Texas: Petition of Carrie Hostrasser, of Hearne, Tex., opposing any change in present limitation on prescriptions of physicians relative to medicinal liquors; to the Committee on the Judiciary.

3911. Also, petition of Texas Cotton Cooperative Association, O. M. Lowry, editor of Texas Cooperative News, and

Texas Cooperative Council, opposing proposed reduction of appropriation for Federal Farm Board; to the Committee on Appropriations.

3912. By Mr. LAMNECK: Petition of Harold B. Leonard, Stacey Wieman, Samuel Horney, and 25 other citizens of the city of Columbus, Ohio, petitioning Congress to enact such legislation at this time as is necessary to curb the activities of the growing monopolistic organizations throughout the country commonly known as the chain-store system; to the Committee on Interstate and Foreign Commerce.

3913. Also, petition of Glenn M. Logsdon, Raymond F. Turner, Edward C. Fraas, and 25 other citizens of the city of Columbus, Ohio, petitioning Congress to enact such legislation at this time as is necessary to curb the activities of the growing monopolistic organizations throughout the country commonly known as the chain-store system; to the Committee on Interstate and Foreign Commerce.

3914. By Mr. LINDSAY: Petition of Legislature of the State of New York, referring to tax on savings and loan associations; to the Committee on Banking and Currency.

3915. Also, petition of the American Hotel Association, favoring the Beck-Linthicum bills; to the Committee on the Judiciary.

3916. Also, petition of State Legislature of the State of New York, referring to the Federal estate tax; to the Committee on Ways and Means.

3917. Also, petition of John J. Daly, of New York City, favoring the continuance of the Sea Service Bureau; to the Committee on Appropriations.

3918. By Mr. MURPHY: Letter from H. E. McFadden, cashier, National Exchange Bank of Steubenville, Ohio, protesting against the placing of an admission tax on tickets to moving-picture theaters and other low-priced amusements; to the Committee on Ways and Means.

3919. Also, telegram from Will T. Blake, of East Liverpool, Ohio, stating, "Condition of theaters here could not stand tax, feel certain this would work unwarrantable burden on this industry"; to the Committee on Ways and Means.

3920. Also, telegram from William M. Tallman, of East Liverpool, Ohio, protesting against placing an admission tax on tickets to theaters and other low-priced amusements; to the Committee on Ways and Means.

3921. Also, telegram from C. V. Hughes, of East Liverpool, Ohio, protesting against a 10 per cent tax on tickets to moving-picture theaters and other low-priced amusements; to the Committee on Ways and Means.

3922. Also, telegram from W. A. Mills, manager Chamber of Commerce of Steubenville, Ohio, protesting against the placing of a luxury tax on admissions to moving-picture theaters and other low-priced amusements, the sole source of entertainment of the average industrial worker; to the Committee on Ways and Means.

3923. Also, telegram from George J. Barthold, opposing an admission tax on tickets to moving-picture theaters selling for 50 cents or less; to the Committee on Ways and Means.

3924. Also, telegram from Harry L. May, protesting against placing an admission tax on tickets to amusements costing 50 cents or less; to the Committee on Ways and Means.

3925. Also, telegram from Wilma Sinclair Le Van and Frank D. Sinclair, of Steubenville, Ohio, protesting against the luxury tax to moving-picture theaters costing 50 cents or less; to the Committee on Ways and Means.

3926. Also, telegram from J. C. McMasters, mayor of Steubenville, Ohio, protesting against the luxury tax on admission tickets to moving-picture theaters and other low-priced amusements; to the Committee on Ways and Means.

3927. By Mr. PATMAN: Petition of John Griffin and 267 other citizens and veterans of Youngstown, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3928. Also, petition of E. E. Brown and 2,449 other citizens and veterans of Akron, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3929. Also, petition of Harry C. Norgen and 590 other citizens and veterans of Cincinnati, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3930. Also, petition of Joe Merritt and 36 other citizens and veterans of Washington, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3931. Also, petition of Frank Klesh and 335 other citizens and veterans of Cleveland, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3932. Also, petition of W. E. Loftin and 389 other citizens and veterans of Springfield, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3933. Also, petition of Earl Mock and 80 other citizens and veterans of Lima, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3934. Also, petition of W. G. Hipe and 30 other citizens and veterans of Harrod, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3935. Also, petition of J. B. Anderson and 251 other citizens and veterans of Bainbridge and Greenfield, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3936. Also, petition of Charles W. Gorra and 27 other citizens and veterans of Marietta, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3937. Also, petition of Robert S. Nance and 40 other citizens and veterans of Sabina, Leesburg, Highland, Wilmington, and Washington, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3938. Also, petition of H. O. Davis and 14 other citizens and veterans of Buffalo and Cambridge, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3939. Also, petition of John L. Livingston and 45 other citizens and veterans of Alhambra, San Gabriel, Rosemead, Pasadena, Temple City, Taft, and Los Angeles, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3940. Also, petition of W. O. Birdsell and 56 other citizens and veterans of Santa Barbara and Carpinteria, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3941. Also, petition of Vina J. Blumberg and 46 other citizens and veterans of Redondo Beach and Lawndale, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3942. Also, petition of Robert Blackman and 55 other veterans of Palo Alto, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3943. Also, petition of J. W. Sturgron and 27 other citizens and veterans of Santa Barbara, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3944. Also, petition of M. A. Baird and 27 other citizens and veterans of San Jose, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3945. Also, petition of W. B. Ekesen and 135 other citizens and veterans of San Francisco, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3946. Also, petition of Thomas Jackson and 209 other citizens and veterans of Stockton, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3947. Also, petition of E. F. Rodgers and 99 other citizens and veterans of Delhi, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3948. Also, petition of William J. Kearney and 69 other citizens and veterans of Sacramento, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3949. Also, petition of Paul I. Robinson and 100 other citizens and veterans of Oakland, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3950. Also, petition of George E. Mallow and 300 other citizens and veterans of Long Beach, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3951. Also, petition of James E. Walton and 83 other citizens and veterans of Burbank, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3952. Also, petition of George Ringwald and 174 other citizens and veterans of Salem, Oreg., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3953. Also, petition of Floyd T. Terrill and 23 other citizens and veterans of Eugene, Oreg., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3954. Also, petition of Edwin O. Kjos and 17 other citizens and veterans of Lake Grove, Oreg., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3955. Also, petition of Paul O. Doyle and 55 other citizens and veterans of Portland, Oreg., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3956. Also, petition of Cary L. Farquhar and 36 other citizens and veterans of Newark, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3957. Also, petition of Bernard Nill and 321 other veterans of Dayton, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3958. Also, petition of Raymond L. Baiter and 125 other citizens and veterans of Cincinnati and Norwood, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3959. Also, petition of C. W. Evans and 139 other citizens and veterans of Urbana, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3960. Also, petition of Austin Wheeler and 1,135 other citizens and veterans of Cleveland, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3961. Also, petition of Dallas P. Welch and 994 other citizens and veterans of Canton, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3962. Also, petition of H. Arthur Wagner and 310 other citizens and veterans of Zanesville, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3963. Also, petition of George Shumiko and 55 other citizens and veterans of Bellaire and Martins Ferry, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3964. Also, petition of Wilmer C. Johnson and 55 other citizens and veterans of Chippewa Falls, Wis., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3965. Also, petition of Paul J. Lozon and 174 other citizens and veterans of Superior, Wis., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3966. Also, petition of E. R. Daniels and 18 other citizens and veterans of Milwaukee, Wis., urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3967. Also, petition of Alexander F. Chavez and 31 other citizens and veterans of Madison, Wis., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3968. Also, petition of R. L. Allen and eight other citizens and veterans of Hurley, Wis., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3969. Also, petition of Otto J. Kramer and 134 other citizens and veterans of Baraboo, Wis., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3970. Also, petition of F. W. McMahon and 559 other citizens and veterans of Casper, Wyo., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3971. Also, petition of Albert W. Wolf and 199 other citizens and veterans of Washington, D. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3972. Also, petition of Neil A. McGee and 324 other citizens and veterans of Erwin, N. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3973. Also, petition of Raymond Snyder and 449 other disabled veterans of Oteen, N. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3974. Also, petition of James S. Burton and 223 other citizens and veterans of Greensboro, N. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3975. Also, petition of Edward D. Smith and 21 other business men of Durham, N. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3976. Also, petition of F. A. Plummer and 42 other citizens and veterans of Asheville, N. C., and vicinity, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3977. Also, petition of J. J. Connor and 223 other citizens and veterans of Manchester, N. H., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3978. Also, petition of Thomas B. Henry and 49 other citizens and veterans of Roswell, N. Mex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3979. Also, petition of Howard K. Shime and 59 other citizens and veterans of Tucumcari, N. Mex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3980. Also, petition of Joseph W. Stevens and 30 other citizens and veterans of Fremont, Nebr., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3981. Also, petition of Charles H. Guyger and 139 other citizens and veterans of Omaha, Nebr., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3982. Also, petition of A. L. Herbert and 139 other citizens and veterans of Lincoln, Nebr., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3983. Also, petition of Charles Blakely and 324 other citizens and veterans of Shawnee, Okla., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3984. Also, petition of J. W. Maddux and 60 other citizens and veterans of Circleville, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3985. Also, petition of N. K. Stevens and 31 other citizens and veterans of St. Clairsville, New Philadelphia, Midvale, Clinton, and Dover, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3986. Also, petition of Edward G. Jones and 55 other veterans of Sandusky and Erie, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3987. Also, petition of James Neitzelt and 55 other citizens and veterans of Barton, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3988. Also, petition of Harry Freeman and 34 other citizens and veterans of North Lewisburg, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3989. Also, petition of J. O. Maxwell and 11 other veterans of Dallas, Tex., indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3990. Also, petition of Hanson American Legion Post, Amarillo, Tex., and signed by R. R. Nation and 23 other members of said post, 1,000 strong, urging immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3991. Also, petition of D. E. Young and 160 other citizens and veterans of Cleveland, Liberty County, Tex., urging immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3992. Also, petition of Jay W. Barr and 41 other citizens of Palacios, Tex., urging immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3993. Also, petition of A. P. McDaniel and 17 other business men and veterans of Beaumont, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3994. Also, petition of J. M. McLaurin and 24 other business men and veterans of Port Arthur, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3995. Also, petition of C. F. Williams Co., jewelers; Sun Pharmacy; Corpus Christi Press; White-Fry Realty & Insurance Co., of Corpus Christi; Retail Merchants Association and the First National Bank, of Weslaco; Palacios State Bank & Trust Co., Palacios; and Sheet Metal Workers International Association, Houston, all of the State of Texas, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3996. Also, petition of Willey J. Pope and 39 other citizens and veterans of DeKalb, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3997. Also, petition of E. R. Walsh and 134 other citizens and veterans of Houston, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3998. Also, petition of Henry Cooper and 92 other citizens and veterans of Beaumont, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3999. Also, petition of J. S. Sanford and 959 other citizens and veterans of Terrell, Tex., and vicinity, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4000. By Mr. ROBINSON: Petition signed by J. E. Armstrong, 1103 Logan Avenue, and 100 other citizens of Waterloo, Iowa, urging, first, a thorough reduction of the Federal salary and wage scale; second, the elimination of all Government positions and functions which constitute a duplication of the position or function in another department or bureau; third, the elimination of every bureau, position, and function of the Federal service, the maintenance of which is not consonant with strictest economy; in brief, we hereby record our conviction that Congress and other Government

officials must find ways and means to reduce taxes and that such reduction must come about principally through a wholesale reduction in the expenditures of the Federal Government; to the Committee on Ways and Means.

4001. Also, petition signed by Harold B. Plumb, 601 Broadway, and 35 other citizens of Waterloo, Iowa, urging, first, a thorough reduction of the Federal salary and wage scale; second, the elimination of all Government positions and functions which constitute a duplication of the position or function in another department or bureau; third, the elimination of every bureau, position, and function of the Federal service, the maintenance of which is not consonant with strictest economy; in brief, we hereby record our conviction that Congress and other Government officials must find ways and means to reduce taxes and that such reduction must come about principally through a wholesale reduction in the expenditures of the Federal Government; to the Committee on Ways and Means.

4002. Also, petition signed by A. H. Head and 635 other citizens of Waterloo, Iowa, urging, first, a thorough reduction of the Federal salary and wage scale; second, the elimination of all Government positions and functions which constitute a duplication of the position or function in another department or bureau; third, the elimination of every bureau, position, and function of the Federal service the maintenance of which is not consonant with strictest economy; in brief, we hereby record our conviction that Congress and other Government officials must find ways and means to reduce taxes and that such reduction must come about principally through a wholesale reduction in the expenditures of the Federal Government; to the Committee on Ways and Means.

4003. By Mr. RUDD: Petition of New York Employing Printers Association (Inc.), New York City, favoring the passage of the Romjue bill, H. R. 8576; to the Committee on Ways and Means.

4004. Also, petition of the Legislature of the State of New York, favoring amending section 5219 of the United States Revised Statutes in such a manner that, as amended, it will (a) relieve the several States of the necessity of imposing a tax upon savings and loan associations of the purely mutual type, being a tax which under present conditions the State must impose, etc.; to the Committee on Banking and Currency.

4005. Also, petition of the Legislature of the State of New York, favoring substantial increase in rates of the Federal estate tax; to the Committee on Ways and Means.

4006. Also, petition of William Nitschke, Long Island City, N. Y., opposing the 10 per cent tax on theater admissions; to the Committee on Ways and Means.

4007. Also, petition of International Photo-Engravers Union of North America, favoring the Norris-LaGuardia injunction relief bill; to the Committee on the Judiciary.

4008. Also, petition of the American Hotel Association, favoring the Beck-Linthicum bills; to the Committee on the Judiciary.

4009. By Mr. TIERNEY: Petition of Council No. 11, Sons and Daughters of Liberty, of Danbury, Conn., protesting against communists; to the Committee on the Judiciary.

4010. By Mr. WEST: Petition of 23 members of the Ohio Railroad Employees and Citizens League, protesting against the unjust, unreasonable, and discriminatory operation of inadequately regulated and taxed busses and trucks engaged in interstate commerce, and against the subsidizing of water and other competitive transportation with taxpayers' money against well-regulated railroads; to the Committee on Interstate and Foreign Commerce.

4011. By Mr. WYANT: Petition of Arles Linsey, of Hanastown, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4012. Also, petition of William D. Colston, of Monessen, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4013. Also, petition of Sara Harvey, Cokeville, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4014. Also, petition of Fernando Zanetti, of Derry, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4015. Also, petition of Glenn A. Amend, of Derry, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4016. Also, petition of D. J. C. O'Donnell, commander Department of Pennsylvania, Veterans of Foreign Wars of the United States, urging support of veteran legislation providing pensions for widows, orphans, and dependents of World War veterans, and immediate cash payment of adjusted-service certificates to World War veterans; to the Committee on World War Veterans' Legislation.

4017. Also, petition of C. R. Barclay, adjutant, William Harr Davidson Post, No. 114, the American Legion, Vandergrift, Pa., opposing any reduction whatever in national defense program, and opposing Rankin bill 8578; to the Committee on World War Veterans' Legislation.

4018. Also, petition of William Schuster, of Scottdale, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4019. Also, petition of Samuel J. Austin, of Derry, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4020. Also, petition of Earnest Long, Arthur Johnson, and Joe Harvey, of New Kensington, Pa., urging support of immediate full cash payment of adjusted-compensation certificates to World War veterans; to the Committee on Ways and Means.

4021. Also, petition of Thomas B. Anderson Post, No. 515, the American Legion, Latrobe, Pa., urging immediate full cash payment of adjusted-compensation certificates to World War veterans; to the Committee on Ways and Means.

4022. Also, petition of Harry B. Lessig Post, No. 330, Veterans of Foreign Wars, of Leechburg, Pa., urging support of immediate full cash payment of adjusted-compensation certificates to World War veterans; to the Committee on Ways and Means.

4023. Also, petition of B. Ray Bitz, of United, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4024. Also, petition of Paul C. Watte, of Derry, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4025. Also, petition of William Humelsine, of Irwin, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4026. Also, petition of Chestnut Ridge Post, No. 444, Veterans of Foreign Wars, Derry, Pa., urging immediate full cash payment of adjusted-compensation certificates to World War veterans; to the Committee on Ways and Means.

4027. Also, petition of Group No. 1100 of the Polish National Alliance, Mount Pleasant, Pa., urging support of House Joint Resolution 144 proclaiming October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4028. Also, petition of Philip J. Vogel, district commander, Department of Pennsylvania, Veterans of Foreign Wars, urging support of House bill 1 providing immediate cash payment of adjusted-compensation certificates to World War veterans; to the Committee on Ways and Means.

4029. Also, petition of R. R. McKowen, of Derry, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4030. Also, petition of Group No. 1147 of the Polish National Alliance, Smithton, Pa., urging support of House Joint Resolution 144 proclaiming October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4031. Also, petition of Martha C. Beattie, of New Alexandria, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4032. Also, petition of Charlie J. Robinson, of Hannastown, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4033. Also, petition of Harry Ashbaugh, New Alexandria, Westmoreland County, Pa., urging full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4034. Also, petition of J. B. Luckner, of Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4035. Also, petition of Mr. and Mrs. Harry H. Cosil, of Monessen, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4036. Also, petition of M. Pavlo, disabled Pennsylvania veteran, now in veterans' hospital, Fort Bayard, N. Mex., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4037. Also, petition of Isaac W. Luther, of Ligonier, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

SENATE

THURSDAY, MARCH 10, 1932

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Unto Thee, O Father of the world, who hast made and lovest all, we commit the keeping of our souls, desiring of Thee whatsoever things are necessary for ourselves and for all men. Grant to us this day to know the joy that comes to those who serve, the joy that overtakes us when, in response to the call of duty, we hold fast to the truth that is revealed to us, however difficult and exacting its demands may be, and follow the guidance of Thy Holy Spirit, which ever lures us from the realm of lower impulse with its heat of passion to the higher, clearer atmosphere of sober judgment.

Again we invoke Thy blessing upon our President, Vice President, Members of the Congress, all who bear rule in our beloved land, every home and fireside, every citizen and sojourner in our midst, that peace and prosperity may abound and righteousness exalt us as a nation among the nations of the world. Through Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. Fess and by unanimous consent, the further reading was dispensed with and the Journal was approved.

LIMITATION OF FEDERAL POWERS TO ENJOIN STATE REGULATORY COMMISSIONS

Mr. JOHNSON. Mr. President, I ask leave to have printed in the RECORD a letter to me from Hon. Clyde L. Seavey, president of the Railroad Commission of the State of California, and an address delivered by him, together with a statement of authorities upon the proposed amendment of section 24 of the Judicial Code, legislation for which is now pending before the Congress.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

RAILROAD COMMISSION OF THE STATE OF CALIFORNIA,
San Francisco, Calif., December 9, 1931.

HON. HIRAM W. JOHNSON,
Washington, D. C.

MY DEAR SENATOR JOHNSON: For many years past it has been the desire of this commission—and, we venture to say, the desire of practically all State public utility regulatory commissions throughout the country—that Congress enact certain legislation designed to limit the powers now possessed by the United States district courts to enjoin State regulatory orders. It is the view of State regulatory commissions generally that State courts in the first instance should be permitted to pass upon the validity of State regulatory orders, and that the Federal courts should be without jurisdiction to enjoin such orders when the State procedure affords to the utilities a plain, speedy, and adequate remedy.

Jurisdiction of the Federal courts to restrain State administrative action is derived from United States Code, title 28, section 41 (formerly Judicial Code, sec. 24), and United States Code, title 28, section 380 (formerly Judicial Code, sec. 266). Historically it should be noted that the courts of each State enjoyed full power prior to 1875 to construe their statutes and say what they meant. Before that date decisions of the State courts were reviewed by writs of error on which the Supreme Court of the United States determined whether or not the State law, as interpreted by the State court, violated the Federal Constitution. In 1875, however, the power of the State courts to construe State laws was impaired and diminished by the act of March 3, 1875 (18 Stat. 470) (Judicial Code, sec. 24), which conferred original jurisdiction on the Federal courts in cases arising under the Constitution, laws, and treaties of the United States.

The grant of power to the Federal courts in 1875 permitted a single Federal judge to restrain State officers and prevent the enforcement or construction of a State law whenever a complaint was brought in the Federal court alleging that the State statute violated some provision of the Federal Constitution. To acquire jurisdiction it was enough for the plaintiff to allege that there was a violation of the Federal Constitution, and so allege with sufficient plausibility to enable the Supreme Court to say that the Federal question was substantial. As a practical matter it was thus possible for the Federal courts to decide such cases under State law without even considering the Federal question presented (Chicago G. W. Ry. v. Kendall, 266 U. S. 94, 97). It was quite natural that after 1875 a large number of cases which had formerly been dealt with by State courts came before the Federal courts, with the result that a single Federal judge was permitted to restrain State officers from enforcing the statutes and to effectively prevent the construction of State statutes by the courts of the State itself.

In 1910, Congress enacted section 266 of the Judicial Code (36 Stat. 539, 557) (United States Code, title 28, section 380), which curbed the powers of the Federal courts to some extent. Under this enactment the power of a single judge to set aside State legislation was taken away, and it was provided that no application for an interlocutory injunction should be granted unless a majority of three judges concurred. "This was a compromise between the wish on the part of the House to deprive the Federal courts entirely of this jurisdiction, and the insistence of the Senate to the contrary." (41 Harvard Law Review 625.)

We know of no sound reason why the Federal courts should be permitted to construe and interpret regulatory commission orders and restrain such commissions where the State procedure affords to the public utilities a plain, speedy, and adequate remedy by granting to the courts of the State an opportunity to independently review the commissions' orders on both the law and the facts. State regulatory orders are State statutes under the decisions of the United States Supreme Court, and it is logical that they should first be construed by the State courts. This practice would insure uniformity of construction. In *Gilchrist v. Interborough Rapid Transit Co.* (1928) 279 U. S. 159, the Supreme Court recognized the desirability of permitting State courts to first determine questions of State law. Under Federal court practice injunctions are frequently issued upon affidavits, and the issues generally determined upon a record which is wholly or in part different from the record which was made before the State regulatory commission. The Federal court tries the matter de novo and as of a date later than the date of the regulatory commission order. The practice of a trial de novo in the Federal court results in great delay and unnecessary cost to the various State commissions and other parties. Not infrequently many years' time is required for the trial of a case before a master in the Federal court.

To accomplish the desired reform which has been discussed hereinabove, section 24 of the Judicial Code should be amended in the following form:

Section 24 of the Judicial Code, as amended by the act approved March 3, 1911 (36 Stat. 1091), is hereby amended by the insertion at the end of the first paragraph thereof the provision following:

Notwithstanding the foregoing provisions of this paragraph no district court of the United States or judge thereof shall have jurisdiction to entertain any bill of complaint to enjoin, suspend, or restrain the enforcement, operation, or execution of any order affecting the rates to be charged by a public utility, not interfering with interstate commerce, made by an administrative board or commission of any State when acting under and pursuant to the statutes of such State, on the ground of the unconstitution-